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Vice President
Regulatory Affairs

February 12, 2016

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REGULATORY AFFAIRS
COMMUNICATION

The Honorable Chair and Members of the
Hawai'i Public Utilities Commission
465 South King Street
Kekuanaoa Building, 1st Floor
Honolulu, Hawai'i 96813

Subject: Docket No. 2014-0356 – Application of Hawaiian Electric Company, Inc. For Approval of a Power Purchase Agreement for Renewable As-Available Energy with Kawailoa Solar, LLC – Status Report per Order No. 33517
Docket No. 2014-0357 – Application of Hawaiian Electric Company, Inc. For Approval of a Power Purchase Agreement for Renewable As-Available Energy for the 14.7 MW Solar Project Owned by Lanikuhana Solar, LLC – Status Report per Order No. 33518
Docket No. 2014-0359 – Application of Hawaiian Electric Company, Inc. For Approval of a Power Purchase Agreement for Renewable As-Available Energy with Waiawa PV, LLC (now known as Waipio PV, LLC) – Status Report per Order No. 33519

Dear Commissioners:

In Order Nos. 33517, 33518, and 33519, the Commission requested a report describing the status of (1) Hawaiian Electric Company, Inc.'s ("Hawaiian Electric" or the "Company") and Waiawa PV, LLC, now known as Waipio PV, LLC ("Waipio PV"), Kawailoa Solar, LLC ("Kawailoa Solar"), and Lanikuhana Solar, LLC's ("Lanikuhana Solar")¹ efforts in completing the milestones set forth in Attachments K and L of the Power Purchase Agreements for Renewable As-Available Energy between Hawaiian Electric and the Sellers ("PPAs") and (2) any relevant information on related matters thereto. Hawaiian Electric submits this Status Report in response.^{2,3}

¹ Waipio PV, Kawailoa Solar, and Lanikuhana Solar, each a "Seller" and collectively the "Sellers".

² The Sellers share the same parent company SunEdison, Inc. ("SunEdison"), and have proceeded in many cases on a parallel path with each other, with documentation between the parties often covering all three projects. Therefore, Hawaiian Electric submits this same status report for all three projects in each of the appropriate dockets.

³ The Status Report and its attachments contain confidential and/or proprietary information of SunEdison and Sellers, which if disclosed publicly could disadvantage and competitively harm SunEdison and/or Sellers, and is therefore being provided pursuant to Protective Order Nos. 32538 (filed December 24, 2014), 32539 (filed December 24, 2014), and 32541 (filed December 24, 2014) in the respective proceedings.

After careful consideration of available information presented by the parties as well as what has been widely reported, mindful of our role of the facilitator in getting more third party renewable sources at a reasonable price for our customers in an islanded grid, Hawaiian Electric exercised its termination rights under the applicable power purchase agreements. Hawaiian Electric regrets that it must inform the Commission of this action in this report. However, Hawaiian Electric believes its actions are warranted and appropriate under the circumstances and in the best interests of our customers.

Sellers had been in default under the PPAs and had not cured important missed milestones. Hawaiian Electric made many accommodations in an effort to see the Waipio PV Project, Lanikuhana Solar Project, and Kawaihoa Solar Project (the "Projects") completed as promised. Beginning in October of 2015, Company allowed several extensions and deferrals of milestones and conditions precedent to try and ensure the Projects stayed on track and provided the intended benefits for Hawaiian Electric's customers. Despite these efforts, Sellers continuously failed to meet Guaranteed Project Milestones, Seller's Conditions Precedent and Reporting Milestones under the PPAs. In addition, Sellers' parent company, SunEdison appears to be in financial distress [REDACTED].

Most recently, all of the Sellers failed to meet the Guaranteed Project Milestone⁴ defined as the Construction Finance Closing Milestone⁵ in the PPAs. SunEdison acknowledged this breach of the PPAs and Company's corresponding termination rights. In an attempt to avoid termination, SunEdison, on behalf of the Sellers, asked Hawaiian Electric to continue to wait for completion of such milestone and in the meantime consent to a transfer of the Projects to D. E. Shaw Renewable Investments, L. L. C. ("D. E. Shaw") -- a creditor of SunEdison. However, the sale to D. E. Shaw is not yet complete and is contingent on several factors set forth in the purchase and sale agreement between SunEdison and D. E. Shaw. SunEdison requested that Hawaiian Electric forbear its current termination rights -- rights that exist for the protection of the best interests of our customers -- and allow D. E. Shaw to take over the Projects, but SunEdison could not guarantee that D. E. Shaw would in fact complete the purchase of the Projects. While SunEdison and D.E. Shaw indicated that project financing close is a condition precedent to the sale and the sole barrier to meeting the PPA milestones, based on Hawaiian Electric's review of SunEdison's Form 8-K announcing the sale to D. E. Shaw, D.E. Shaw had the option of closing the sale without the close of such project debt and tax equity financing at its sole discretion. Further, other than providing a link to SunEdison's Form 8-K filing regarding the sale to D. E. Shaw, SunEdison provided the Company no information in writing regarding the sale, the specific entities involved in the sale, and the specific factors that need to occur before such sale will be final. As noted in a letter from Hawaiian Electric to SunEdison, it had been difficult for Hawaiian Electric to consider such a significant request with such limited information.

⁴ All capitalized terms used but not defined herein shall have the meaning provided in the PPA.

⁵ This is also a Substantial Commitment Milestone in the Kawaihoa Solar PPA.

As has been well documented, there is only so much room on Hawaiian Electric's system for utility scale solar projects. Hawaiian Electric had significant concerns regarding the serious risk to the Projects (and any opportunity to timely replace this renewable energy generation capacity if necessary)⁶ posed by SunEdison's apparently precarious financial condition [REDACTED]. The proposed transfer to creditor D. E. Shaw would not have itself cured the defaults. [REDACTED]

[REDACTED]. Hawaiian Electric must carefully evaluate each Project to ensure its success and that such Project will not languish due to incompletion or being subject to bankruptcy laws and rules. In such instance, Hawaiian Electric would have to continue to include such resources in its planning efforts until they were terminated or removed from bankruptcy court supervision and could begin work again, taking up valuable limited space on the grid in the meantime and delaying the procurement and installation of projects that would be able to be completed and provide significant benefits to Hawaiian Electric's customers and the State's Renewable Portfolio Standards goals. Based on the limited information provided, it simply was unclear whether the requested transfer of the Projects to D.E. Shaw would have avoided long term completion delay or failure of the Projects.

On February 10, 2016 and February 11, 2016, Hawaiian Electric became aware of news articles regarding SunEdison that further significantly increased Hawaiian Electric's concerns regarding the financial status of SunEdison. A Wall Street Journal article, dated February 10, 2016 notes that investors in a Latin America Power Holding B. V., which "owns renewable energy projects in Chile and Peru asked a New York court to lock up \$150 million of SunEdison's assets, to protect what they expect to win in a fight over a failed deal with the troubled solar company."⁷ A Washington Post article, dated February 11, 2016 notes that "New York State Supreme Court Justice Charles Ramos on Thursday granted the request from Latin America Power BV investors to block any asset transfer pending a Feb. 25 hearing on whether the hold should continue throughout arbitration of the dispute."⁸ [REDACTED]

⁶ [REDACTED]

⁷ The Wall Street Journal, "Failed Latin America Power Deal Spawns More Woes for SunEdison," by Peg Brickley, February 10, 2016. See Exhibit 60.

⁸ The Washington Post, "SunEdison Asset Transfer Barred in Fight Over Spurned Deal," by Chris Dolmetsch and Brian Eckhouse, February 11, 2016. See Exhibit 61.

Hawaiian Electric wants renewable projects like these completed and brought on-line as soon as possible. However, we believed the risks of moving forward with the Projects were significant and that continuing with the Projects would not be in the best interest of customers. Therefore, prompt action was necessary. Terminating the PPAs at this time will allow the Company an opportunity to seek replacement renewable generation as quickly as possible. Therefore, the Company terminated the PPAs effective today, February 12, 2016.

I. Chronology

A chronological history of the Projects is attached as Attachment 1 and demonstrates the Sellers' history of failure to complete requirements under the PPA in a timely manner.

II. Status of Milestones and Conditions Precedent

Charts which show the status, prior to termination, for each of the Sellers' Guaranteed Project Milestone set forth in Attachment K (Guaranteed Project Milestones), Seller's Condition Precedent set forth in Attachment K-1 (Company Milestones and Seller's Condition Precedents)⁹ and Reporting Milestones set forth in Attachment L (Reporting Milestones) of the PPAs are attached here to as Attachment 2.

III. Hawaiian Electric's Concerns

Hawaiian Electric met with SunEdison and D. E. Shaw to discuss a potential path forward and possible conditions that would be imposed on Sellers and D. E. Shaw to try to offset the increased risk associated with the Projects. In these meetings, SunEdison and D. E. Shaw indicated that any conditions that required Commission approval of a PPA Amendment would not be acceptable to SunEdison and D. E. Shaw.

Hawaiian Electric attempted to work with SunEdison and D. E. Shaw to create a solution that provided sufficient benefits to customers to compensate them for bearing a greater risk under the PPA than was originally negotiated but that did not change any material PPA terms and therefore may not need Commission approval. As noted in the Chronology section in Attachment 1, Hawaiian Electric proposed a set of conditions to Sellers and D. E. Shaw on January 22, 2016 in hopes of coming to an agreement with Sellers and D. E. Shaw that would provide assurances to Hawaiian Electric that the Projects would be completed, would reach their Guaranteed Commercial Operations Dates, and that no undue risk would be passed onto Hawaiian Electric's customers without adequate compensation. Hawaiian Electric proposed the following conditions in exchange for Hawaiian Electric to forbear its rights to terminate the PPAs:

⁹ The Kawaihoa Solar PPA does not contain Attachment K-1 and does not include Seller's Conditions Precedent or Company Milestones.

1. By February 1, 2016, Sellers and/or D. E. Shaw would place a specified amounts of funds into an escrow account. The amounts represented the approximate net present value of the benefit Hawaiian Electric's customers expect to receive on average for one year of operations under each of the PPAs, as calculated using the Reference Fuel Cost scenario of the Avoided Cost Analysis filed in the Company's Supplemental Statement of Position in support of Commission approval of the PPA.¹⁰ The escrow agreements were to be agreed to between the parties and were to provide that Hawaiian Electric had the right to access the funds on January 1, 2017. If any of the Projects did not achieve the Commercial Operations Date by the Guaranteed Commercial Operations Date of December 31, 2016, Company would remove the full amount of funds from the escrow for such project(s) and provide these funds to its customers. These funds, along with any other damages due under the PPAs, would compensate Hawaiian Electric's customers for the benefits they would have received if the Projects had achieved Commercial Operations as required under the PPAs. If the Projects did achieve their Guaranteed Commercial Operations Dates, then Hawaiian Electric would remove the funds on a pro rata basis for the first 12 months after Commercial Operations and apply the funds to amounts due by Hawaiian Electric under the PPAs as a credit to invoices from Sellers for energy payments therefore reducing the amount of expense passed through to Hawaiian Electric's customers. This would provide a benefit to customers for assuming the risk of forbearing termination.

2. By February 1, 2016, in lieu of agreeing to pass through a greater amount of Hawai'i State tax credit under the PPAs, which may require a PPA Amendment, D. E. Shaw and Sellers would agree to pay a set amount for each Project directly to Hawaiian Electric for the benefit of its customers on the Commercial Operations Date. The amounts were approximately equivalent to the additional 10% value of the State tax credit previously offered to be passed through to Hawaiian Electric's customers by D. E. Shaw, as calculated using the assumptions and methodologies contained in the draft Summary of Hawai'i State Tax Credits Related to each Project, as prepared by Ernst and Young, the Independent Tax Expert agreed to by the Parties as required under Attachment J of the PPA. In addition to the 90% of the State tax credit to be passed through under the PPAs, this payment would provide Hawaiian Electric's customers a commensurate benefit to passing through 100% of the State tax credit as an offset to amounts due to Sellers under the PPAs.

3. By February 1, 2016, as previously requested, D. E. Shaw would need to provide detailed information showing that it has (i) a tangible net worth of \$100,000,000 or a credit rating of "BBB-" or greater and (ii) experience in the ownership of power generation facilities. This information was intended to provide Hawaiian Electric more information to inform its consent to the sale to D. E. Shaw under the PPAs and is in line with provisions in the PPAs that allow the Sellers in certain situations to transfer their interest in the Projects without consent if transferring to an entity that meets these qualifications (see PPAs, Attachment P, Section 1(e)).

¹⁰ See for example, Supplemental Statement of Position of Hawaiian Electric Company, Inc. filed in Docket No. 2014-0359 on June 12, 2015.

4. By February 1, 2016, as previously requested, D. E. Shaw would provide information regarding its plans for operation of the Projects, including who D. E. Shaw intends to have operate the Projects if D. E. Shaw will not be the operator. If there will be a third party operator, D. E. Shaw was to provide information evidencing such operator's experience operating a solar facility equivalent in size and with similar technology to the Projects described in the PPA.

5. By February 1, 2016, as previously requested, D. E. Shaw would provide a firm commitment or other evidence confirming that D. E. Shaw can in fact secure financing for the Projects in the time frame proposed by D.E. Shaw. This was proposed to alleviate Hawaiian Electric's concerns regarding the ability to secure financing. D. E. Shaw had previously indicated to Hawaiian Electric in a meeting that D. E. Shaw had already passed credit committee and all that was needed to complete financing at this time was primarily documentation.

6. By March 15, 2016, D. E. Shaw and/or Sellers would complete the Construction Financing Closing Milestone for each Project.

7. The purchase and sale transaction between D. E. Shaw and SunEdison must be completed no later than March 15, 2016, as D. E. Shaw must be deemed the "Seller" under the PPAs in order for its financing to be considered satisfactory to meet the Construction Financing Closing Milestone. If such transaction is terminated at any time beforehand, Hawaiian Electric would have the ability to immediately exercise its rights to terminate the PPAs.

8. By February 1, 2016, Sellers, D. E. Shaw and Hawaiian Electric would confirm the above conditions and commitments in a written agreement. Such agreement was to include agreement by D. E. Shaw and Sellers to waive any claims Sellers and/or D. E. Shaw may have against Hawaiian Electric for any delay in meeting the Guaranteed Commercial Operations Date.

For the reasons set forth below, Hawaiian Electric now believes that such conditions no longer provide adequate assurance that the Projects will be completed consistent with the terms of the approved PPAs and do not justify the additional risk passed on to Hawaiian Electric's customers. Therefore, on February 1, 2016 Hawaiian Electric revoked its proposed offer to forbear its termination rights under the PPAs.

Sellers' Proposed Modifications to the Conditions

On January 26, 2016, Sellers and D. E. Shaw counter-proposed modifications to Hawaiian Electric's Conditions. These changes included an extension of the date Company requested to have funds placed into escrow and exceptions to Hawaiian Electric's Condition requiring Sellers and D. E. Shaw to waive any claims Sellers and/or D. E. Shaw may have against Company for any delay in meeting the Guaranteed Commercial Operations Date. With regards to the waiver of claims against Company for delay, Seller stated it would accept such condition, "except with respect to delays due to Company's failure to cooperate and work in good faith with Seller and [D. E. Shaw], or resulting from the gross negligence or willful misconduct of the Company, or Company's breach of the PPA." In Hawaiian Electric's February 1, 2016 letter to Seller, Hawaiian Electric noted that its

offer was conditioned upon Seller providing a complete waiver of any potential claims and that Hawaiian Electric found the exceptions to the waiver of claims unacceptable.

Kawailoa Solar also proposed modifications which extended the dates proposed by Hawaiian Electric for completion of the Construction Financing closing Milestone and completion of the sale of the Kawailoa Solar project to D. E. Shaw. In Hawaiian Electric's February 1, 2016 letter to Seller, Hawaiian Electric noted that it had significant concerns with delaying the Construction Financing Closing Milestone and sale to D. E. Shaw. Hawaiian Electric went on to state, "These extensions will result in a further two and half month delay before Hawaiian Electric's customers will have confidence that the Kawailoa Solar project will move forward and may lead to delay in reaching commercial operations."

In addition, as noted above on February 1, 2016, D. E. Shaw provided certain information in response to one of Hawaiian Electric's conditions included in its January 22, 2016 proposal which required a firm commitment or other evidence confirming that D. E. Shaw can secure financing for the Projects. D. E. Shaw provided letters from its potential debt and equity lenders dated as recently as February 1, 2016, however, neither provided a firm commitment for financing. [REDACTED]

[REDACTED]. Neither SunEdison nor D. E. Shaw has provided any information as to why the lenders could not conditionally approve financing of the Projects subject only to receiving the forbearance of Hawaiian Electric's rights to terminate or explained what further work must be done to complete the financing. On February 2, 2016, Hawaiian Electric notified D. E. Shaw that the information provided from D. E. Shaw's potential lenders does not provide adequate assurance that D. E. Shaw can in fact obtain financing for the Projects and therefore, Hawaiian Electric does not believe that D. E. Shaw has met the condition set forth in its January 22, 2016 letter to provide a firm commitment or evidence *confirming* that D. E. Shaw can securing financing.

Recent Information Evaluated by Hawaiian Electric

In addition to Hawaiian Electric's concerns with the modifications imposed on the Company's conditions to forbearance of its termination rights, new information became available to Company after its January 22, 2016 proposal which caused Hawaiian Electric to reevaluate all issues, and in particular its January 22, 2016 proposal.

[REDACTED] considered against the backdrop of a 94% decline in SunEdison's stock price since July of 2015.

Hawaiian Electric reviewed SunEdison's January 27, 2016 Form 8-K filing and related analyst reports, including a UBS research report dated January 27, 2016, which indicated that a hedge fund with significant ownership interest in SunEdison had obtained a board seat to influence

corporate action, including an agreement which will result in a Bylaw Amendment that will not permit equity capital raises for two years without a supermajority vote of the Board. [REDACTED]. That development heightened our concern about the tumultuous financial situation in which SunEdison finds itself and the risks inherent in entering into an agreement with an unstable counterparty. In addition, the report also notes there has been continued management turnover, and raised concerns about growing execution risk.

Further, the report noted that SunEdison is at risk of losing commercial contracts and highlights concerns related to SunEdison's acquisition of Vivint Solar. The UBS report also noted that sources have indicated that others are rebidding projects they had previously lost in bidding processes to SunEdison projects.

As indicated above, the UBS report, along with other recent news articles and reports, raised Hawaiian Electric's concerns [REDACTED]

[REDACTED]. This would have resulted in Hawaiian Electric's customers experiencing a significant delay in the realization of benefits the Projects were intended to provide, or, in the worst case scenario, receiving no benefits [REDACTED].

[REDACTED]

IV. Conclusion

Hawaiian Electric must act in what it believes is in the best interests of its customers and in advancing the State of Hawaii's Renewable Portfolio Standards goals. As we noted above, there is only so much room on Hawaiian Electric's system for utility scale solar projects and therefore we must carefully evaluate each Project to ensure its success and that such Project will not languish due to incompleteness [REDACTED].

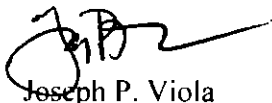
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Confidential Information Deleted Pursuant to
Protective Order Nos. 32538, 32539, and 32541.

Hawaiian Electric anticipated that, if Seller or D. E. Shaw failed to complete the Projects, it would (and will) take between 20 and 30 months to complete a new solicitation for projects, complete interconnection requirements studies for selected projects, negotiate power purchase agreements and seek Commission approval of such new projects. There would be additional time needed to complete construction and commissioning of any replacement projects. Therefore, since Hawaiian Electric had legitimate doubts as to the ability of Seller to perform under the PPA and did not believe there was sufficient justification to take on the risks associated with forbearing our termination rights, Hawaiian Electric believes it was best to terminate the Projects as soon as possible so that the process for replacement renewable generation can be undertaken quickly. Hawaiian Electric evaluated all information it has received from Seller and D. E. Shaw, the past history of the Projects, Sellers' failure to maintain conformance with the Projects' schedules and meet critical milestones, including obtaining necessary financing to build the Projects, and [REDACTED] and determined the Company could not reasonably justify the risks associated with not terminating the PPAs under the circumstances.

Under the circumstances, for the reasons discussed, Hawaiian Electric has sent termination notices to Kawaihoa Solar, Lanikuhana Solar, and Waipio PV, effective today, Friday, February 12, 2016.

Very truly yours,



Joseph P. Viola
Vice President
Regulatory Affairs

Enclosures

c: Division of Consumer Advocacy (with Exhibits)
Kawaihoa Solar, LLC
Lanikuhana Solar, LLC
Waipio PV, LLC

ATTACHMENT INDEX

<u>ATTACHMENT</u>	<u>DESCRIPTION</u>
1	Chronology of Events
2	Status of Milestones and Conditions Precedent

EXHIBIT INDEX

<u>EXHIBIT #</u>	<u>DESCRIPTION</u>
1	Request to Waipio PV for Company-Owned Interconnection Facilities Second Prepayment
2	Request to Lanikuhana Solar for Company-Owned Interconnection Facilities Second Prepayment
3	Agreement from Waipio PV, Lanikuhana Solar, and Kawaihoa Solar to Extend Deadline to Issue Written Statement Under PPA Section 29.20(C)
4	Written Statement to Waipio PV indicating that PUC Order 33038 satisfies the conditions set forth in PPA Section 29.20(A)
5	Written Statement to Lanikuhana Solar indicating that PUC Order 33037 satisfies the conditions set forth in PPA Section 29.20(A)
6	Written Statement to Kawaihoa Solar indicating that PUC Order 33036 satisfies the conditions set forth in PPA Section 29.20(A)
7	New request to Waipio PV for Company-Owned Interconnection Facilities Second Prepayment
8	New request to Lanikuhana Solar for Company-Owned Interconnection Facilities Second Prepayment
9	Deferral Agreement executed with Waipio PV extending the deadline for the completion of certain Seller's Conditions Precedent
10	Deferral Agreement executed with Lanikuhana Solar extending the deadline for the completion of certain Seller's Conditions Precedent
11	Request to Waipio PV for the Balance of Company-Owned Interconnection Facilities Prepayment
12	Request to Lanikuhana Solar for the Balance of Company-Owned Interconnection Facilities Prepayment
13	Letter to Waipio PV extending the payment due date for the Balance of Company-Owned Interconnection Facilities Prepayment
14	Letter to Lanikuhana Solar extending the payment due date for the Balance of Company-Owned Interconnection Facilities Prepayment
15	Earthwork Report after Grading for HECO Pads (2) dated November 12, 2015
16	Earthwork Report after Grading for HECO Pad dated November 18, 2015
17	Notice of Failure to Waipio PV to Meet Seller's Condition Precedent (Grading)
18	Notice of Failure to Lanikuhana Solar to Meet Seller's Condition Precedent

EXHIBIT # DESCRIPTION

- (Grading)
- 19 Notice of Requirements letter to Waipio PV
- 20 Notice of Requirements letter to Lanikuhana Solar
- 21 Letter from Waipio PV requesting extension of payment due date for the Balance of Company-Owned Interconnection Facilities Prepayment
- 22 Letter from Lanikuhana Solar requesting extension of payment due date for the Balance of Company-Owned Interconnection Facilities Prepayment
- 23 Letter to Waipio PV extending the payment due date for the Balance of Company-Owned Interconnection Facilities Prepayment
- 24 Letter to Lanikuhana Solar extending the payment due date for the Balance of Company-Owned Interconnection Facilities Prepayment
- 25 Letter to Waipio PV responding to Earthwork Report after Grading for HECO Pad dated November 22, 2015
- 26 Letter to Lanikuhana Solar responding to Earthwork Report after Grading for HECO Pad dated November 22, 2015
- 27 Letter to Waipio PV revising the payment due date for the Balance of Company-Owned Interconnection Facilities Prepayment
- 28 Letter to Lanikuhana Solar revising the payment due date for the Balance of Company-Owned Interconnection Facilities Prepayment
- 29 Letter to Waipio PV providing wiring instructions for the Balance of Company-Owned Interconnection Facilities Prepayment
- 30 Letter to Lanikuhana Solar providing wiring instructions for the Balance of Company-Owned Interconnection Facilities Prepayment
- 31 Letter from Waipio PV responding to Company's December 22, 2015 letter regarding earthwork at the Akau Substation Pad
- 32 Letter from Lanikuhana Solar responding to Company's December 22, 2015 letter regarding earthwork at the Hema Substation Pad
- 33 Seller's Obligations letter to Waipio PV
- 34 Seller's Obligations letter to Lanikuhana Solar
- 35 Letter to Waipio PV responding to Seller's December 30, 2015 letter regarding earthwork at the Akau Substation Pad
- 36 Letter to Lanikuhana Solar responding to Seller's December 30, 2015 letter regarding earthwork at the Hema Substation Pad
- 37 Letter from Waipio PV responding to Company's December 31, 2015 letter regarding earthwork at the Akau Substation Pad
- 38 Letter from Lanikuhana Solar responding to Company's December 31, 2015 letter regarding earthwork at the Akau Substation Pad
- 39 Notice of Default to Waipio PV for Failure to Make Prepayment
- 40 Notice of Default to Lanikuhana Solar for Failure to Make Prepayment
- 41 Letter to Waipio PV responding to Seller's January 4, 2016 letter regarding earthwork at the Akau Substation Pad
- 42 Letter to Lanikuhana Solar responding to Seller's January 4, 2016 letter regarding earthwork at the Hema Substation Pad

EXHIBIT # DESCRIPTION

- 43 Letter from D.E. Shaw introducing itself as the prospective acquirer of the Lanikuhana Solar, Waipio PV, and Kawaihoa Solar Projects
- 44 Letter to Waipio PV and D.E. Shaw responding to Seller's request to consent to assignment and to forego termination rights
- 45 Letter to Lanikuhana Solar and D.E. Shaw responding to Seller's request to consent to assignment and to forego termination rights
- 46 Email from Paul Gaynor on behalf of Waipio PV and Lanikuhana Solar introducing possible concessions
- 47 Letter to Waipio PV and D.E. Shaw responding to Seller's Default Resolution Proposal
- 48 Letter to Lanikuhana Solar and D.E. Shaw responding to Seller's Default Resolution Proposal
- 49 Letter to Kawaihoa Solar and D.E. Shaw responding to Seller's Default Resolution Proposal
- 50 Letter from Waipio PV responding to Company's January 22, 2016 proposal to forebear its termination rights
- 51 Letter from Lanikuhana Solar responding to Company's January 22, 2016 proposal to forebear its termination rights
- 52 Letter from Kawaihoa Solar responding to Company's January 22, 2016 proposal to forebear its termination rights
- 53 Letter to Waipio PV and D.E. Shaw responding to Seller's January 26, 2016 counter proposal for Company to forebear its termination rights
- 54 Letter to Lanikuhana Solar and D.E. Shaw responding to Seller's January 26, 2016 counter proposal for Company to forebear its termination rights
- 55 Letter to Kawaihoa Solar and D.E. Shaw responding to Seller's January 26, 2016 counter proposal for Company to forebear its termination rights
- 56 Notice of Failure to Kawaihoa Solar to Complete a Substation Commitment Milestone
- 57 Letter from Waipio PV, Lanikuhana Solar, and Kawaihoa Solar responding to Company's February 1, 2016 letter rescinding its offer to forebear its termination rights
- 58 Letter from Waipio PV, Lanikuhana Solar, and Kawaihoa Solar responding to Company's February 2, 2016 letter and January 4, 2016 letters providing notification of Waipio PV, Lanikuhana Solar, and Kawaihoa Solar having missed construction financing milestones
- 59 Letter to Waipio PV, Lanikuhana Solar, and Kawaihoa Solar responding to Seller's February 3, 2016 and February 5, 2016 letters
- 60 Wall Street Journal article titled "Failed Latin America Power Deal Spawns More Woes for SunEdison," dated February 10, 2016
- 61 Washington Post article titled "SunEdison Asset Transfer Barred in Fight Over Spurned Deal," dated February 11, 2016

Attachment 1
Chronology of Events

July 31, 2015	<p>PUC Approval – The PUC issued Decision and Orders approving power purchase agreements for the three SunEdison projects totaling 109.6 MW:</p> <ul style="list-style-type: none"> • Lanikuhana Solar (14.7 MW): D&O 33037 • Waipio PV (formerly Waiawa PV) (45.9 MW): D&O 33038 • Kawaiiloa Solar (49 MW): D&O 33036
August 25, 2015	<p>Payment Milestones – Hawaiian Electric provided notice requesting payment for the Remote Substation Construction Portion of the Company-Owned Interconnection Facilities Prepayment within 15 days of the date of the letter for Waipio PV (Exhibit 1) and Lanikuhana Solar (Exhibit 2).</p>
August 25, 2015	<p>Payment Milestones – Via email SunEdison on behalf of Waipio PV and Lanikuhana requested an extension of this payment date until after Hawaiian Electric provided the written notice required in Section 29.20(C) of the PPA. Hawaiian Electric agreed via email on August 27, 2015.</p>
August 28, 2015	<p>Section 29.20(C) Statement – Waipio PV, Lanikuhana Solar, and Kawaiiloa Solar granted an extension to Hawaiian Electric to provide the written statement required pursuant to Section 29.20(C) of the PPA noting whether the Company believed the conditions set forth in Section 29.20(A) and Section 29.20(B) of the PPA had been satisfied (Exhibit 3). The date to provide such written statement was extended from Monday, August 31, 2015 to Tuesday, September 8, 2015.</p>
September 3, 2015	<p>Section 29.20(C) Statement – Hawaiian Electric provided Waipio PV (Exhibit 4), Lanikuhana Solar (Exhibit 5), and Kawaiiloa Solar (Exhibit 6) the written statement required by Section 29.20(C).</p>
September 10, 2015	<p>Financing Milestone – Waipio PV and Lanikuhana Solar's outside legal counsel contacted Hawaiian Electric to review financing documents that Waipio PV and Lanikuhana Solar represented Hawaiian Electric needed to execute in order for the projects to obtain financing. Hawaiian Electric worked diligently to respond to all of Waipio PV and Lanikuhana Solar's various requests re financing in a timely manner</p>

	<p>from this date through the last requests near the end of December 2015. Despite reaching agreement with Hawaiian Electric on various documents including a consent, estoppel, lien waivers, and replacement letters of credit, Waipio PV and Lanikuhana Solar were never able to complete financing.</p>
September 16, 2015	<p>Payment Milestones – After providing the notice required under Section 29.20(C) of the PPA, Hawaiian Electric provided new notices requesting payment for the Remote Substation Construction Portion of the Company-Owned Interconnection Facilities Prepayment for Waipio PV (Exhibit 7) and Lanikuhana Solar (Exhibit 8). Waipio PV and Lanikuhana Solar made the payment within the required 15 day period.</p>
October 13, 2015	<p>Seller's Conditions Precedent – Waipio PV and Lanikuhana Solar informed Hawaiian Electric that they will be missing two Seller's Conditions Precedent (October 15, 2015) for Waipio PV and Lanikuhana Solar. The two Conditions Precedent were:</p> <ul style="list-style-type: none"> • Seller to obtain and provide Company all permits, licenses, easements and approvals to construct the Company-Owned Interconnection Facilities for Company's Substations. <ul style="list-style-type: none"> ○ Waipio PV and Lanikuhana Solar were unable to provide the building permit and an easement from Hawaiian Telcom as required to construct the Company-Owned Interconnection Facilities. In addition, Waipio PV was unable to provide an easement from Castle and Cooke Homes Hawaii, Inc. providing access to the Facility site to Hawaiian Electric. • Seller to complete preparation of the site(s) of the Company-Owned Interconnection Facilities for start of construction by Company. <ul style="list-style-type: none"> ○ Waipio PV and Lanikuhana Solar had not completed grading of the site by October 15, 2015.
October 21, 2015	<p>Seller's Conditions Precedent – In an attempt to help the Projects succeed, Hawaiian Electric executed Agreements with Waipio PV (Exhibit 9) and Lanikuhana Solar (Exhibit 10) allowing the deferral of Seller's Conditions Precedent as follows:</p> <ul style="list-style-type: none"> • The date for completion of preparation of the site of the Company-Owned Interconnection Facilities for start of construction by Hawaiian Electric for both Waipio PV and

	<p>Lanikuhana Solar was deferred from October 15, 2015 to October 31, 2015.</p> <ul style="list-style-type: none">• The date for providing the Hawaiian Telcom easement was deferred from October 15, 2015 to October 26, 2015 for both Waipio PV and Lanikuhana Solar.• The date for providing the building permit was deferred from October 15, 2015 to October 30, 2015 for both Waipio PV and Lanikuhana Solar.• The date for providing the site access easement from [REDACTED] [REDACTED] was deferred from October 15, 2015 to October 30, 2015.
October 23, 2015	Seller's Conditions Precedent – Waipio PV and Lanikuhana Solar provided the Hawaiian Telcom easements by the deferred due date.
October 28, 2015	Payment Milestones – Hawaiian Electric sent letters to Waipio PV (Exhibit 11) and Lanikuhana Solar (Exhibit 12) requesting payment of the balance of the Company-Owned Interconnection Facilities prepayment, which letter noted that such payment was due within 15 Days following receipt of such letter pursuant to Section 3(b)(iii) (Balance of Company-Owned Interconnection Facilities Prepayment) of Attachment G (Company-Owned Interconnection Facilities) of the PPA.
October 30, 2015	Seller's Conditions Precedent – Waipio PV and Lanikuhana Solar provided the building permits by the deferred due date.
October 30, 2015	Seller's Conditions Precedent – Waipio PV missed Seller's Condition precedent to provide all permits, licenses, and easements to Hawaiian Electric for construction of the Company-Owned Interconnection Facilities because Waipio PV did not deliver an executed easement with [REDACTED] for access to the site. However, Waipio PV did provide an extended letter agreement with [REDACTED] allowing for temporary access to the site.
October 30, 2015	Permitting Milestone – Kawailoa Solar submitted an application for a building permit with the Department of Planning and Permitting ("DPP") satisfying the Guaranteed Project Milestone in Attachment K.

October 30, 2015	Payment Milestones – SunEdison requested, via email, on behalf of Waipio PV and Lanikuhana Solar, an extension to make payment for the balance of the Company-Owned Interconnection Facilities prepayment until November 30, 2015 because SunEdison [REDACTED] [REDACTED]
October 31, 2015	Seller's Conditions Precedent (Grading) – Waipio PV and Lanikuhana Solar asserted that they had completed preparation of the Akau and Hema substation sites respectively for the Company-Owned Interconnection Facilities on the deferred date for completion. Hawaiian Electric then requested confirmation that Waipio PV and Lanikuhana Solar completed preparation of the respective sites in accordance with Fewell Geotechnical Engineering, Ltd.'s ("FGE") Subsurface Investigative Report dated March 11, 2015 prepared for the Akau Substation (Koa Ridge) site and the Subsurface Investigative Report dated March 10, 2015 prepared for the Hema Substation (Mililani AG Park) site (collectively the "Final Geotechnical Reports"), which were provided to Seller on March 26, 2015.
November 5, 2015	Payment Milestones – Hawaiian Electric sent letters to Waipio PV (Exhibit 13) and Lanikuhana Solar (Exhibit 14) extending the payment due date for the balance of the Company-Owned Interconnection Facilities prepayment to November 30, 2015.
November 15, 2015	Seller's Conditions Precedent (Grading) – Waipio PV and Lanikuhana Solar provided a letter (Exhibit 15) titled "Earthwork Report after Grading for HECO Pads (2)..." dated November 12, 2015, which certified that "...that the grading for the HECO Switchyard pads was completed in conformance with Chapter 14: Articles 13, 14, 15, & 16 as related to grading, soil erosion and sediment control of the Revised Ordinances of Honolulu 1990, as amended and the approved project plans and specifications" (the "Original Grading Report").
November 17, 2015	Seller's Conditions Precedent (Grading) – Hawaiian Electric raised concerns with the Original Grading Report and requested that Waipio PV and Lanikuhana Solar provide the plans, specifications, reports, and other documentation to which the grading construction was completed.

November 17, 2015	Seller's Conditions Precedent (Grading) – Waipio PV and Lanikuhana Solar informed Hawaiian Electric for the first time that the subject grading was performed based on preliminary geotechnical reports for each site by FGE (collectively the “Preliminary Geotechnical Reports”) rather than the Final Geotechnical Reports. The Preliminary Geotechnical Reports were preliminary subsurface reports for the entire proposed Waipio PV project and Lanikuhana Solar project and they were not specific to the substation work to be performed by Hawaiian Electric.
November 18, 2015	Seller's Conditions Precedent (Grading) – Waipio PV and Lanikuhana Solar provided a revised geotechnical conformance letter (Exhibit 16) titled “Earthwork Report after Grading for HECO Pad: Waipio Solar Farm,” which certified that “grading for the HECO Switchyard pad was completed in conformance with Chapter 14: Articles 13, 14, 15, & 16 as related to grading, soil erosion and sediment control of the Revised Ordinances of Honolulu 1990, as amended, the approved project plans and specifications and the [Final Geotechnical Report]” (the “Revised Grading Report”). Hawaiian Electric and its contractors raised concerns with the Revised Grading Report.
November 18, 2015	Seller's Conditions Precedent (Grading) – The Company provided a Notice of Failure to Meet Seller's Condition Precedent to Waipio PV (Exhibit 17) and Lanikuhana Solar (Exhibit 18) regarding the completion of preparation of the site for the Company-Owned Interconnection Facilities for the start of construction by the Company.
November 20, 2015	Seller's Conditions Precedent (Grading) – Hawaiian Electric met with Waipio PV and Lanikuhana Solar and its contractors to convey its concerns regarding the Revised Grading Report. Waipio PV and Lanikuhana Solar agreed to provide a comprehensive report to Hawaiian Electric to furnish more information relevant to how the Grading Work was performed.
November 22, 2015	Payment Milestones – Hawaiian Electric sent letters to Waipio PV (Exhibit 19) and Lanikuhana Solar (Exhibit 20) stating that it cannot agree to Seller's request made on November 17, 2015 via email to split the balance of the Company-Owned Interconnection Facilities Prepayment amount due into two payments due on November 30, 2015 and March 1, 2016 respectively. Company pointed to delays already caused by Waipio PV and Lanikuhana Solar associated with the grading of the Company-Owned Interconnection facility sites and the potential cost increases associated with such delays and noted that “Company does not believe that it is prudent or in our customers' best interest to

	deviate from the current terms of the PPA and split the payment” given such delays and potential cost increases.
November 23, 2015	Payment Milestones - Waipio PV (Exhibit 21) and Lanikuhana Solar (Exhibit 22) provided a letter to Hawaiian Electric responding to the Company’s November 22, 2015 letters. The letter requested an extension for a single payment for the balance of the Company-Owned Interconnection Facilities Prepayment to be made on or before December 18, 2015.
November 24, 2015	Seller’s Conditions Precedent (Grading) – Waipio PV provided a Final Grading Report from Mid Pac Testing and Inspection Services, Inc. titled “Earthwork Report after Grading for HECO Pad”.
November 25, 2015	Seller’s Conditions Precedent (Grading) – Lanikuhana Solar provided a Final Grading Report from Mid Pac Testing and Inspection Services, Inc. titled “Earthwork Report after Grading for HECO Pad”.
November 25, 2015	Payment Milestones – Hawaiian Electric sent letters to Waipio PV (Exhibit 23) and Lanikuhana Solar (Exhibit 24) agreeing to extend the deadline for its receipt of the balance of the Company-Owned Interconnection Facilities Prepayment to December 18, 2015 as requested. As a condition to the extension, the 10 day grace period for payment set forth in Section 15.2 of the PPA was included in the extension.
November 2015	Reporting Milestones – Waipio PV started driving the piles for mounting and racking the PV panels which satisfies the Reporting Milestone in Attachment L of the PPA.
December 1, 2015	Seller’s Conditions Precedent – Waipio PV provided an extended letter agreement for access to the Waipio site, as it still had not executed an easement with [REDACTED] for access to the site.
December 10, 2015	Seller’s Conditions Precedent (Grading) – Hawaiian Electric provided responses to both Waipio PV (Exhibit 25) and Lanikuhana Solar (Exhibit 26) with regards to the Final Grading Report and stated that the grading work should be excavated and re-done at the Akau and Hema substation sites because the grading was not performed according to the required specifications. Hawaiian Electric noted that Waipio PV and Lanikuhana Solar had not met the Seller’s Condition Precedent in each of the PPAs for completion of site preparation for the Company-Owned Interconnection Facility sites.

December 14, 2015 (approximately)	Payment Milestones – SunEdison indicated (via phone calls and email) that Waipio PV and Lanikuhana Solar would not be able to meet the December 18, 2015 date for payment of the balance of the Company-Owned Interconnection Facilities Prepayment and asked for an extension to December 23, 2015 for both projects. SunEdison also inquired whether Hawaiian Electric would accept a letter of credit in lieu of cash, which Hawaiian Electric rejected.
December 16, 2015	Payment Milestones – Hawaiian Electric sent letters to Waipio PV (Exhibit 27) and Lanikuhana Solar (Exhibit 28) stating that after a renewed look at the project accounting that payment for the balance of the Company-Owned Interconnection Facilities could be made by December 31, 2015 amending the previous letters sent on October 28, 2015, November 5, 2015, and November 25, 2015. The deadline included the 10 Business Day cure period provided under Section 15.2(A) of the PPA to make payment in order to avoid an immediate Event of Default.
December 18, 2015	Financing Milestone and EPC Milestone – SunEdison, on behalf of Waipio PV, Lanikuhana Solar, and Kawaihoa Solar, requested via email that Hawaiian Electric defer the Guaranteed Project Milestones requiring executed engineering, procurement, and construction (“EPC”) agreements be provided to Hawaiian Electric and the closing of the Construction Finance Closing Milestone. SunEdison requested that these be deferred for all three Projects until March 1, 2016.
December 23, 2015	Payment Milestones – Hawaiian Electric sent letters to Waipio PV (Exhibit 29) and Lanikuhana Solar (Exhibit 30) that included wire instructions for the balance of the Company-Owned Interconnection Facilities Prepayment.
December 23, 2015	Financing Milestone and EPC Milestone – Hawaiian Electric responded to SunEdison’s December 18, 2015 email asking to defer Guaranteed Project Milestones. Hawaiian Electric noted that deferring the Guaranteed Project Milestones was a material change to the PPA that would require an amendment and PUC approval. The Company also noted that it needed to look out for the best interests of its customers and make progress towards the state’s RPS goals and therefore Hawaiian Electric could not agree to defer any Guaranteed Project Milestones.
December 26, 2015	Seller’s Conditions Precedent – Two months after the already deferred Seller’s Conditions Precedent date, Waipio PV provided the grant of easement with [REDACTED] for entry onto the site.

December 28, 2015	Sale to D. E. Shaw and Guaranteed Project Milestones – SunEdison, Inc. provided notice via email that they are planning to sell their three Hawai'i solar projects (Lanikuhana Solar, Waipio PV, and Kawaiiloa Solar) to D. E. Shaw, and that D. E. Shaw would make the balance of the Company-Owned Interconnection Prepayment by December 31, 2015 by wire transfer directly from D. E. Shaw to Hawaiian Electric. SunEdison noted that they would be meeting the Guaranteed Project Milestones of providing an executed EPC Agreement; providing signed purchase orders and meeting the Construction Financing Closing Milestone by December 30, 2015. The email also indicated that D. E. Shaw would complete construction financing on March 1, 2016 for Waipio PV and Lanikuhana Solar and on April 1, 2016 for Kawaiiloa Solar.
December 30, 2015	Seller's Conditions Precedent (Grading) – Waipio PV (Exhibit 31) and Lanikuhana Solar (Exhibit 32) provided responses to Hawaiian Electric's December 10, 2015 letter offering reasons that "the project[s] can move forward without further re-grading and testing."
December 30, 2015	Financing Milestone – Hawaiian Electric sent letters to Waipio PV (Exhibit 33) and Lanikuhana Solar (Exhibit 34) regarding compliance with the January 1, 2016 Guaranteed Project Milestones to "Provide Company with documentation reasonably satisfactory to Company evidencing (i) the closing on financing for the Facility or (ii) the financial capability to construct the Facility" (the "Construction Financing Closing Milestone") and the extension of such milestones.
December 31, 2015	Seller's Conditions Precedent (Grading) – Hawaiian Electric provided a response to the December 30, 2015 letters from Waipio PV (Exhibit 35) and Lanikuhana Solar (Exhibit 36) indicating that the letters do not satisfy Hawaiian Electric's concerns and that Waipio PV and Lanikuhana Solar have failed to provide any further information than what was previous provided to Hawaiian Electric to confirm that the grading was completed in accordance with the Final Geotechnical Report.
December 31, 2015	Purchase Order Milestone – Waipio PV and Lanikuhana Solar provided executed purchase orders for the project panels from [REDACTED] and inverters from [REDACTED] satisfying one of the Guaranteed Project Milestone in Attachment K.

December 31, 2015	Payment Milestones – SunEdison failed to make a payment for the balance of Company-Owned Interconnection Facilities Prepayment per the extended deadline for the Waipio PV and Lanikuhana Solar PPAs. This deadline included the ten (10) Business Day grace period provide for missed payments in Section 15.2(A) of the PPA.
January 1, 2016	EPC Milestone – Waipio PV and Lanikuhana Solar failed to provide executed engineering, procurement and construction contracts for each project's facility on January 1, 2016, missing the Guaranteed Project Milestone.
January 1, 2016	Financing Milestone – Waipio PV and Lanikuhana Solar failed to complete the Construction Financing Closing Milestone, which is a Guaranteed Project Milestone, as required on January 1, 2016.
January 4, 2016	Seller's Conditions Precedent (Grading) – Waipio PV (Exhibit 37) and Lanikuhana Solar (Exhibit 38) responded to Hawaiian Electric's December 31, 2015 letters indicating that they have been directed by D. E. Shaw to begin the removal and re-grading work on the substation pads as soon as possible.
January 4, 2016	EPC Milestone - Waipio PV and Lanikuhana Solar provided a redacted copy of the projects' executed EPC agreement with [REDACTED], curing the missed Guaranteed Project Milestone in Attachment K requiring such documentation.
January 4, 2016	Prepayment Milestones – The Company provided Waipio PV (Exhibit 39) and Lanikuhana Solar (Exhibit 40) Notices of Default for Failure to Make Prepayment.
January 6, 2016	Seller's Conditions Precedent (Grading) – Company responded to Waipio PV (Exhibit 41) and Lanikuhana Solar's (Exhibit 42) January 4, 2016 letter regarding Seller's intention to move forward with regrading work. Given the fact that one of Company's remedies for default was termination of the PPAs and that Waipio PV and Lanikuhana Solar had not yet provided information requested by Company in its January 4, 2016 letters, the Company requested that Seller not move forward with the regrading at this time.
January 6, 2016	Sale to D. E. Shaw – D. E. Shaw provided a letter to Hawaiian Electric (Exhibit 43) introducing itself as the prospective acquirer of the Lanikuhana Solar, Waipio PV, and Kawaihoa Solar Projects. The letter sought approval for the prospective transfer of the Projects and a waiver from Hawaiian Electric of certain of its termination remedies under the PPA. Accompanied with the letter from D. E. Shaw were letters from [REDACTED] indicating that D. E.

	Shaw is working with these entities to try to secure financing for the Waipio PV and Lanikuhana Solar projects.
January 11, 2016	Sale to D. E. Shaw – Hawaiian Electric provided a response to the letter from D. E. Shaw for Waipio PV (Exhibit 44) and Lanikuhana Solar (Exhibit 45) which laid out conditions by which the Company may be amenable to forbearing its rights to terminate the PPAs.
January 12, 2016	Payment Milestones – Waipio PV and Lanikuhana Solar provided the Balance of Company-Owned Interconnection Facilities Prepayment due for each project which were not accepted by Company as a cure to the missed payments and instead were placed in segregated accounts while Hawaiian Electric, D. E. Shaw and SunEdison, Inc. discussed a possible path forward for the Waipio PV and Lanikuhana Solar projects. Hawaiian Electric reserved all rights under the PPA for the missed payments by Waipio PV and Lanikuhana Solar.
January 13, 2016	Request to Forbear Company's Rights – Hawaiian Electric received an email from Paul Gaynor of SunEdison, Inc. in response to the Company's January 11, 2016 letter (Exhibit 46). The email indicated that SunEdison/D. E. Shaw would be willing to increase the state tax credit pass through for the projects and that they would be willing to agree to a \$5.00/MWh reduction in the energy price if the projects do not reach Commercial Operations by December 31, 2016. The amendment would not be effective until the failure to meet GCOD and Commission approval of the amendment.
January 14, 2016	Security – Hawaiian Electric received a Notice of Non-Renewal from [REDACTED] for the Standby Letters of Credit covering the Development Period Security for the Waipio PV and Kawaihoa Solar projects.
January 20, 2016	Request to Forbear Company's Rights – Representatives from DE Shaw and SunEdison met with Hawaiian Electric to seek agreeable options for moving the Lanikuhana Solar, Waipio PV, and Kawaihoa Solar projects forward.
January 22, 2016	Purchase Order Milestone – Kawaihoa Solar provided executed purchase orders for the project panels from [REDACTED] and inverters from [REDACTED] satisfying the Guaranteed Project Milestone in Attachment K.
January 22, 2016	Security – Hawaiian Electric received amendments extending the expiration date for the Letters of Credit covering the Development Period Security for the Waipio PV and Kawaihoa Solar projects.

January 22, 2016	Request to Forbear Company's Rights – Hawaiian Electric formally responded (Exhibits 47-49) to the concessions offered by SunEdison in the January 13, 2016 email and discussed in the January 20, 2016 meeting. The letter again outlined the conditions by which the Company would be amenable to forbearing its rights to terminate the PPAs.
January 26, 2016	Request to Forbear Company's Rights – SunEdison provided responses to the Company's January 22, 2016 letters (Exhibits 50-52). The responses proposed modifications to the Company's conditions, including an additional month (to April 15, 2016) to complete financing for Kawaihoa Solar and excluded several conditions for waiving claims against the Company.
January 27, 2016	Request to Forbear Company's Rights – Hawaiian Electric reviewed SunEdison's January 27, 2016 8-K filing and related analyst reports, including a UBS research report dated January 27, 2016, which indicated that a hedge fund with significant ownership interest in SunEdison obtained a board seat to influence corporate action, including an agreement which will result in a Bylaw Amendment that will not permit equity capital raises for two years without a supermajority vote of the Board.
January 28, 2016	PUC Orders – The PUC issued orders reopening the dockets for the limited purpose of instructing the Company to file a status report by February 16, 2016 describing Hawaiian Electric and Sellers' (SunEdison) efforts in meeting the milestones in Attachment K and any relevant information and related matters thereto. <ul style="list-style-type: none"> • Lanikuhana Solar: D&O 33518, Order No. 33518 • Waipio PV (formerly Waiawa PV): D&O 33519, Order No. 33519 • Kawaihoa Solar: D&O 33517, Order No. 33517
February 1, 2016	Request to Forbear Company's Rights – Company issued letters to D. E. Shaw and Waipio PV (Exhibit 53), Lanikuhana Solar (Exhibit 54), and Kawaihoa Solar (Exhibit 55) stating that in light of new information and in reevaluating all issues, that Hawaiian Electric revoked the offers set forth in its January 22, 2016 letters, which in any event had not been accepted by D. E. Shaw and the Sellers.
February 1, 2016	Request to Forbear Company's Rights – D. E. Shaw provided the following information to Hawaiian Electric: <ul style="list-style-type: none"> • [REDACTED]

	<p>[REDACTED]</p> <ul style="list-style-type: none">• Information regarding D. E. Shaw's proposed operator of the facilities, [REDACTED] and including a Statement of Qualifications from [REDACTED].• Most recent balance sheet for D. E. Shaw. D. E. Shaw shared their balance sheet as an indication of ability to finance the projects, however, D. E. Shaw had previously indicated that they would not finance the projects off their balance sheet and would need to close project financing before any commitments could be made.
February 1, 2016	Seller's Conditions Precedent (Grading) – Re-grading at the Waipio PV substation site commenced.
February 1, 2016	EPC Milestone – Kawaihoa Solar provided redacted copies of executed engineering, procurement, and construction agreements with [REDACTED] for construction of the Seller's substation and [REDACTED] for construction of the generating facility satisfying the Guaranteed Project Milestone in Attachment K.
February 1, 2016	Financing Milestone – Kawaihoa Solar failed to meet the Construction Financing Closing Milestone which is also a Substantial Commitment Milestone: <ul style="list-style-type: none">• Provide Company with documentation reasonably satisfactory to Company evidencing (i) the closing on financing for the Facility or (ii) the financial capability to construct the Facility ("Construction Financing Closing Milestone").
February 1, 2016	Reporting Milestone – Kawaihoa Solar missed the Construction Start Date Reporting Milestone in Attachment L of the PPA.
February 2, 2016	Financing Milestone – The Company provided a Notice of Failure to Complete a Substantial Commitment Milestone (Construction Financing Closing Milestone) to Kawaihoa Solar (Exhibit 56).

February 2, 2016	Request to Forbear Company's Rights – Hawaiian Electric responded to D. E. Shaw's February 1, 2016 email noting that the information provided did not constitute firm commitments for financing and that no information was provided for the Kawaihoa Solar project.
February 3, 2016	Request to Forbear Company's Rights – SunEdison, on behalf of Waipio PV, Lanikuhana Solar, and Kawaihoa Solar, provided a consolidated response to Hawaiian Electric's February 1, 2016 letters (Exhibit 57) and included updated construction schedules for the Projects.
February 3, 2016	Request to Forbear Company's Rights – Upon review of the updated construction schedules, Hawaiian Electric noted discrepancies in the schedule for Kawaihoa Solar and asked Kawaihoa Solar for a revised schedule correcting the mistakes. Kawaihoa Solar provided a corrected schedule via email on February 3, 2016.
February 5, 2016	Events of Default – SunEdison, on behalf of Waipio PV, Lanikuhana Solar, and Kawaihoa Solar, provided a consolidated response to Hawaiian Electric's January 4, 2016 and February 2, 2016 notices of missed milestones and declaring Events of Default (Exhibit 58). In the letters Seller acknowledges missing the Construction Financing Closing Milestone for all three projects and references its sale to D. E. Shaw as a potential cure.
February 8, 2016	Request to Forbear Company's Rights and Events of Default – Hawaiian Electric provided a consolidated response to SunEdison's February 3, 2016 and February 5, 2016 letters (Exhibit 59). The letter noted that SunEdison has repeatedly missed deadlines, Guaranteed Project Milestones, Reporting Milestones, and Seller's Conditions Precedent under the PPAs, including certain extensions, despite ongoing assertions that deadlines would be met. Hawaiian Electric stated that this track record leaves Hawaiian Electric pessimistic that the construction of the Projects will be completed and brought into service consistent with the terms of the approved PPA. The assertions and information set forth in SunEdison's February Letters have not provided specific or sufficient information to allay Hawaiian Electric's concerns. There is a lack of factual information presented to support Sellers' conclusions set forth in the February Letters.

**Attachment 2
Status of Milestones and Conditions Precedent**

Waipio PV Guaranteed Project Milestones Attachment K		
Guaranteed Project Milestone Date	Description of Each Guaranteed Project Milestone	Status of Milestone Completion
January 1, 2016	Provide Company with a redacted copy of the executed Facility equipment, engineering, procurement and construction, or other general contractor agreements.	Executed purchase orders for the project panels from [REDACTED] and inverters from [REDACTED] were provided by Waipio PV on December 31, 2015.
January 1, 2016	Provide Company with redacted copies of executed purchase orders/contracts for the delivery and installation of Facility generator(s), unless included in EPC agreement.	Milestone was missed. A redacted copy of the project's executed EPC agreement with [REDACTED] was provided by Waipio PV on January 4, 2016, three days after the milestone date.
January 1, 2016	Provide Company with documentation reasonably satisfactory to Company evidencing (i) the closing on financing for the Facility or (ii) the financial capability to construct the Facility ("Construction Financing Closing Milestone").	Milestone has been missed and has not been cured. The prospective buyer of the project (D.E. Shaw) has indicated that it expects to achieve financial closing for construction of the project by March 15, 2016.
December 15, 2015	Seller shall complete the following: Provide Company with documentation reasonably satisfactory to Company evidencing the filing by or on behalf of Seller of the following applications for Government Approvals required for the ownership, construction, operation and maintenance of the Facility: Conditional Use Permit-minor.	Waipio PV submitted an application with DPP for a Conditional use Permit-minor in February 2015. The application was approved in April 2015.
December 31, 2016	Guaranteed Commercial Operations Date	

Waipio PV Company Milestones and Seller's Condition Precedent Attachment K-1		
Seller's Condition Precedent Date	Description of Each Guaranteed Project Milestone	Status of Milestone Completion
Company-Owned Interconnection Facilities Prepayment Date	Seller shall make payment to Company of the Amount required under <u>Section 3(b) (ii)</u> (Company-Owned Interconnection Facilities Prepayment) of <u>Attachment G</u> (Company-Owned Interconnection Facilities)	Waipio PV provided payment in the amount required under Section 3(b) (ii) Company-Owned Interconnection Facilities Prepayment) of Attachment G (Company-Owned Interconnection Facilities) prior to the December 20, 2014 due date.
November 15, 2014	Seller shall provide Company a right of entry for the Company-Owned Interconnection Facilities site(s) to complete the substation ground grid test.	Waipio PV provided the right of entry for the Company-Owned Interconnection Facilities site(s) on November 3, 2014.
March 1, 2015	Seller shall complete interface cabinet schematics. See Seller's Single Line Diagram Notes for details.	Hawaiian Electric needed to provide information to Waipio PV to complete the milestone and this information was not provided prior to March 1, 2015. Therefore, to allow more time for Waipio PV to complete the milestone after receiving such information, an agreement was signed by the parties extending the deadline to complete this Seller's Condition Precedent from March 1, 2015 to April 1, 2015. Waipio PV provided the complete interface cabinet schematics on April 2, 2015.
No later than 15 days following Company's notice requesting such payment, Seller shall not be obligated to make the payment prior to July 1, 2015	Seller shall make payment to Company of the amount required under Section 3(b) (iii) (Remote Substation Construction Portion of Company-Owned Interconnection Facilities Prepayment) of Attachment G	On August 25, 2015, Hawaiian Electric provided notice requesting payment within 15 days. Waipio PV requested an extension of this payment until after Hawaiian Electric provided notice accepting the terms of the PUC's D&O. Hawaiian Electric

	(Company-Owned Interconnection Facilities).	agreed and provided a subsequent notice on September 16, 2015 requesting payment within 15 days. Waipio PV provided payment in the amount required under Section 3(b) (iii) (Remote Substation Construction Portion of Company-Owned Interconnection Facilities Prepayment) of Attachment G (Company-Owned Interconnection Facilities) prior to the extended October 1, 2015 due date.
No later than 15 Days following Company's written notice requesting such payment, however Seller shall not be obligated to make the payment prior to September 1, 2015	Payment of the balance of the Company-Owned Interconnection Facilities Prepayment Amount	<p>As noted in the chronology section above, Waipio PV asked for several extensions to the due date for this payment. Hawaiian Electric extended the date several times, finally requiring this payment by December 31, 2015, which date included the 10 Business Day cure period allowed for under the PPA. Hawaiian Electric needed the money to be able to continue work on the project in early 2016 and could no longer provide extensions to the payment deadline.</p> <p>Waipio PV did not provide the balance of the Company-Owned Interconnection Facilities Prepayment Amount until January 12, 2016. Given that this payment was made after the cure period during which time Hawaiian Electric has been evaluating its rights under the PPA and its concerns with the viability of the Project, Hawaiian Electric has not accepted such payment as cure for the missed payment and is holding such funds in escrow and has noted its intent to return these funds to Waipio</p>

		PV.
October 15, 2015	Seller shall obtain and provide Company all permits, licenses, easements and approvals to construct the Company-Owned Interconnection Facilities at the Akau Substation.	<p>On October 13, 2015, Waipio PV informed Hawaiian Electric that they will be missing the date for this Seller's Condition Precedent. On October 21, 2015, after conferring with its construction contractor, [REDACTED], Hawaiian Electric agreed to Seller's request to defer the date and executed a deferral agreement with Waipio PV as follows:</p> <p>The date for providing the Hawaiian Telcom easement was deferred to October 30, 2015. The date for providing the building permit was deferred to October 30, 2015. The date for providing the site access easement from [REDACTED] was deferred to October 30, 2015.</p> <p>Waipio PV provided the Hawaiian Telcom easement on October 23, 2015 and the building permit on October 30, 2015. On October 30, 2015 and December 1, 2015 Waipio PV provided an extended letter agreement with Castle and Cooke allowing for temporary access to the site. On December 26, 2015, almost two months from the deferred completion date, Waipio PV provided the grant of easement with [REDACTED] for entry onto the site.</p>
October 15, 2015	Seller shall complete preparation of the site(s) of the Company-Owned Interconnection Facilities for start of	On October 13, 2015, Waipio PV informed Hawaiian Electric that they will be missing the date for this Seller's Condition Precedent. On October 21, 2015, after conferring

	construction by Company.	with its construction contractor, [REDACTED] Hawaiian Electric agreed to Seller's request to defer the date and executed a deferral agreement with Waipio PV deferring this Seller's Condition Precedent date to October 31, 2015. The grading of the site was not done according to required specifications and Hawaiian Electric notified Seller that it did not complete this condition precedent. Seller is currently in the process of regrading the site. Regrading of the Akau substation site is anticipated to complete on or before February 24, 2016.
March 15, 2016	Seller shall have Hawaiian Telecom Backup installed which shall consist of a 128kbps Routed Network Services circuit for backup SCADA communications from Seller's Facility to Company's EMS located at 820 Ward Avenue, Honolulu, Hawaii	
April 30, 2016	Seller shall complete installation of physical bus and structures within Seller's substation.	
July 15, 2016	Seller shall complete construction of the Seller-Owned Interconnection Facilities and be ready to construct the Acceptance Test.	
Waipio PV Company Milestones Attachment K-1		
Company Milestone Date	Description of Each Company	Status of Milestone Completion

	Milestone	
August 1, 2016	Company shall commence Acceptance Testing.	
September 1, 2016	Energization of Company-Owned Interconnection Facilities, provision of back-feed power to support commissioning.	

Waipio PV Reporting Milestones Attachment L		
Reporting Milestone Date	Description of Each Guaranteed Project Milestone	Status of Milestone Completion
February 1, 2016	Construction Start Date (as defined in the Definitions section of the Agreement).	As an indication of the Construction Start Date, Waipio PV started driving the piles for mounting and racking the PV panels in November 2015.
May 1, 2016	The 34.5 – 138 kV main power transformer shall have been installed at Seller's substation.	
May 15, 2016	Seller shall have constructed Seller's substation and such facilities are capable of being energized.	

Lanikuhana Solar Guaranteed Project Milestones Attachment K		
Guaranteed Project Milestone Date	Description of Each Guaranteed Project Milestone	Status of Milestone Completion
January 1, 2016	Provide Company with a redacted copy of the executed Facility equipment, engineering, procurement and construction, or other general contractor agreements.	Executed purchase orders for the project panels from [REDACTED] and inverters from [REDACTED] were provided by Lanikuhana Solar on December 31, 2015.
January 1, 2016	Provide Company with redacted copies of executed purchase orders/contracts for the delivery and installation of Facility generator(s), unless included in EPC agreement.	Milestone was missed. A redacted copy of the project's executed EPC agreement with [REDACTED] was provided by Lanikuhana Solar on January 4,

		2016, three days after the milestone date.
January 1, 2016	Provide Company with documentation reasonably satisfactory to Company evidencing (i) the closing on financing for the Facility or (ii) the financial capability to construct the Facility ("Construction Financing Closing Milestone").	Milestone has been missed and has not been cured. The prospective buyer of the project (D.E. Shaw) has indicated that it expects to achieve financial closing for construction of the project by March 15, 2016.
December 15, 2014	Seller shall complete the following: Provide Company with documentation reasonably satisfactory to Company evidencing the filing by or on behalf of Seller of the following applications for Government Approvals required for the ownership, construction, operation and maintenance of the Facility: Conditional Use Permit-minor.	DPP approved Lanikuhana Solar's Conditional Use Permit-minor application in April 2015.
December 31, 2016	Guaranteed Commercial Operations Date	

Lanikuhana Solar Company Milestones and Seller's Condition Precedent Attachment K-1		
Seller's Condition Precedent Date	Description of Each Guaranteed Project Milestone	Status of Milestone Completion
Company-Owned Interconnection Facilities Prepayment Date	Seller shall make payment to Company of the Amount required under <u>Section 3(b) (ii)</u> (Company-Owned Interconnection Facilities Prepayment) of <u>Attachment G</u> (Company-Owned Interconnection Facilities)	Lanikuhana Solar provided payment in the amount required under Section 3(b) (ii) Company-Owned Interconnection Facilities Prepayment) of Attachment G (Company-Owned Interconnection Facilities) prior to the December 20, 2014 due date.
November 15, 2014	Seller shall provide Company a right of entry for the Company-Owned Interconnection	Lanikuhana Solar provided the right of entry for the Company-Owned Interconnection Facilities site(s) on

	Facilities site(s) to complete the substation ground grid test.	November 3, 2014.
March 1, 2015	Seller shall complete interface cabinet schematics. See Seller's Single Line Diagram Notes for details.	Hawaiian Electric needed to provide information to Lanikuhana Solar to complete the milestone and this information was not provided prior to March 1, 2015. Therefore, to allow more time for Lanikuhana Solar to complete the milestone after receiving such information, an agreement was signed by the parties extending the deadline to complete this Seller's Condition Precedent from March 1, 2015 to April 1, 2015. Lanikuhana Solar provided the complete interface cabinet schematics on April 2, 2015.
No later than 15 days following Company's notice requesting such payment, Seller shall not be obligated to make the payment prior to July 1, 2015	Seller shall make payment to Company of the amount required under Section 3(b) (iii) (Remote Substation Construction Portion of Company-Owned Interconnection Facilities Prepayment) of Attachment G (Company-Owned Interconnection Facilities).	On August 25, 2015, Hawaiian Electric provided notice requesting payment within 15 days. Lanikuhana Solar requested an extension of this payment until after Hawaiian Electric provided notice accepting the terms of the PUC's D&O. Hawaiian Electric agreed and provided a subsequent notice on September 16, 2015 requesting payment within 15 days. Lanikuhana Solar provided payment in the amount required under Section 3(b) (iii) (Remote Substation Construction Portion of Company-Owned Interconnection Facilities Prepayment) of Attachment G (Company-Owned Interconnection Facilities) prior to the extended October 1, 2015 due date.
No later than 15 Days following Company's written notice requesting such	Payment of the balance of the Company-Owned Interconnection Facilities	As noted in the chronology section above, Lanikuhana Solar asked for several extensions to the due date for

payment, however Seller shall not be obligated to make the payment prior to September 1, 2015	Prepayment Amount	<p>this payment. Hawaiian Electric extended the date several times, finally requiring this payment by December 31, 2015, which deadline included the 10 Business Day cure period allowed for under the PPA. Hawaiian Electric needed the money to be able to continue work on the project in early 2016 and could no longer provide extensions to the due date.</p> <p>Lanikuhana Solar did not provide the balance of Company-Owned Interconnection Facilities Prepayment Amount until January 12, 2016. Given that this payment was made after the cure period during which time Hawaiian Electric has been evaluating its rights under the PPA and our concerns with the viability of the Project, Hawaiian Electric has not accepted such payment as cure for the missed payment and is holding such funds in escrow and has noted its intent to return these funds to Lanikuhana Solar.</p>
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October 15, 2015	Seller shall obtain and provide Company all permits, licenses, easements and approvals to construct the Company-Owned Interconnection Facilities at the Hema Substation.	<p>On October 13, 2015, Lanikuhana Solar informed Hawaiian Electric that they will be missing the date for this Seller's Condition Precedent. On October 21, 2015, after conferring with its construction contractor, [REDACTED] Hawaiian Electric agreed to Seller's request to defer the date and executed a deferral agreement with Lanikuhana Solar as follows:</p> <p>The date for providing the Hawaiian Telecom easement was deferred to October 30, 2015. The date for providing the building permit was deferred to October 30, 2015.</p> <p>Lanikuhana Solar provided the Hawaiian Telecom easement on October 23, 2015 and the building permit on October 30, 2015.</p>
October 15, 2015	Seller shall complete preparation of the site(s) of the Company-Owned Interconnection Facilities for start of construction by Company.	<p>On October 13, 2015, Lanikuhana Solar informed Hawaiian Electric that they will be missing the date for this Seller's Condition Precedent. On October 21, 2015, after conferring with its construction contractor, [REDACTED] Hawaiian Electric agreed to Seller's request to defer the date and executed a deferral agreement with Lanikuhana Solar deferring this Seller's Condition Precedent date to October 31, 2015. The grading of the site was not done according to required specifications and Hawaiian Electric notified Seller that it did not complete this condition precedent. Seller is currently in the process of regrading the site. Regrading of the Hema substation site is anticipated to</p>

		be completed on or before March 16, 2016.
March 15, 2016	Seller shall have Hawaiian Telcom Backup installed which shall consist of a 128kbps Routed Network Services circuit for backup SCADA communications from Seller's Facility to Company's EMS located at 820 Ward Avenue, Honolulu, Hawaii	
April 30, 2016	Seller shall complete installation of physical bus and structures within Seller's substation.	
July 15, 2016	Seller shall complete construction of the Seller-Owned Interconnection Facilities and be ready to construct the Acceptance Test.	
Lanikuhana Solar Company Milestones Attachment K-1		
Company Milestone Date	Description of Each Company Milestone	Status of Milestone Completion
August 1, 2016	Company shall commence Acceptance Testing.	
September 1, 2016	Energization of Company-Owned Interconnection Facilities, provision of back-feed power to support commissioning.	

Lanikuhana Solar Reporting Milestones Attachment L		
Reporting Milestone Date	Description of Each Guaranteed Project Milestone	Status of Milestone Completion
February 1, 2016	Construction Start Date (as defined in the Definitions section of the Agreement).	As an indication of the Construction Start Date, Lanikuhana Solar started driving the piles for mounting and racking the PV panels prior to February 2, 2016.
May 1, 2016	The 34.5 – 138 kV main power transformer shall have been installed at Seller's substation.	
May 15, 2016	Seller shall have constructed Seller's substation and such facilities are capable of being energized.	

Kawailoa Solar Guaranteed Project Milestones Attachment K		
Guaranteed Project Milestone Date	Description of Each Guaranteed Project Milestone	Status of Milestone Completion
September 30, 2015	Seller shall complete the following: Provide Company with documentation reasonably satisfactory to Company evidencing the filing by or on behalf of Seller of the following applications for Government Approvals required for the ownership, construction, and operation and maintenance of the Company-Owned Interconnection Facilities: building permit	Milestone was missed. Kawailoa Solar submitted an application with DPP for a Building Permit on October 30, 2015.
September 30, 2015	Seller shall complete the following:	Kawailoa Solar submitted an application with DPP for a Special

	Provide Company with documentation reasonably satisfactory to Company evidencing the filing by or on behalf of Seller of the following applications for Government Approvals required for the ownership, construction, operation and maintenance of the Facility: Special Use Permit and Conditional Use Permit.	Use Permit on November 7, 2014. The application was approved on June 29, 2015. Kawaihoa Solar submitted an application with DPP for a Conditional Use Permit on July 12, 2015. The application was approved on August 31, 2015.
February 1, 2016	Provide Company with a redacted copy of the executed Facility equipment, engineering, procurement and construction, or other general contractor agreements.	Redacted copies of the Project's executed EPC agreements with [REDACTED] for construction of the Seller's substation and with [REDACTED] for construction of the generating facility were provided by Kawaihoa Solar on February 1, 2016.
February 1, 2016	Provide Company with redacted copies of executed purchase orders/contracts for the delivery and installation of Facility generator(s), unless included in EPC agreement.	Executed purchase orders for the project panels from [REDACTED] and inverters from [REDACTED] were provided by Kawaihoa Solar on January 22, 2016.
February 1, 2016	Provide Company with documentation reasonably satisfactory to Company evidencing (i) the closing on financing for the Facility or (ii) the financial capability to construct the Facility ("Construction Financing Closing Milestone").	Milestone has been missed and has not been cured. The prospective buyer of the project (D.E. Shaw) has indicated that it expects to achieve financial closing for construction of the project by April 15, 2016.
December 31, 2016	Guaranteed Commercial Operations Date	

Kawaihoa Solar Reporting Milestones Attachment L		
Reporting Milestone Date	Description of Each Guaranteed Project Milestone	Status of Milestone Completion
February 1, 2016	Seller shall provide Company with copies, as applicable, of executed Facility operating agreements.	Milestone has been missed and has not been cured. The prospective buyer of the project (D.E. Shaw) has indicated it is in negotiations with [REDACTED]

		██████████ to operate the Facility.
February 1, 2016	Construction Start Date (as defined in the Definitions section of the Agreement).	Milestone has been missed and has not been cured. The latest schedule from Kawailoa Solar shows the Construction Start Date being achieved on March 22, 2016
March 1, 2016	Seller shall obtain and provide Company all permits, licenses, easements, and approvals to construct the Company-Owned Interconnection Facilities.	
March 1, 2016	Seller shall complete preparation of the site(s) of the Company-Owned Interconnection Facilities for start of construction by Company.	
September 1, 2016	All generator(s) shall have been installed at the Site.	
September 1, 2016	The main step-up transformer shall have been installed at Seller's substation.	
60 Days prior to Acceptance Test	Completion of installation of Seller owned riser poles outside of Company's Kawailoa Mauka switching station and Kawailoa Makai switching station.	
60 Days prior to Acceptance Test	Completion of installation and testing of two (2) 3' x 5' telecom handholes and fiber optic cables.	
60 Days prior to Acceptance Test	Completion of installation of Hawaiian Telcom RNS circuits.	
30 Days prior to Acceptance Test	Seller shall have constructed Seller's substations and all interconnection facilities and are capable of being energized.	
September 15, 2016	The Acceptance Test of the Facility commences.	



August 25, 2015

Via Certified First Class Mail

Mr. Wren Wescoatt
Waiawa PV, LLC
SunEdison
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, Hawaii 96813

**RE: Waiawa PV (aka Waipio Solar) – Company-Owned Interconnection Facilities
Second Prepayment**

Dear Mr. Wescoatt:

Pursuant to Section 3(b)(iii) of Attachment G of the Power Purchase Agreement for Renewable As-Available Energy, dated December 3, 2014 ("PPA"), Hawaiian Electric Company, Inc. ("Hawaiian Electric" or "Company") hereby requests the Company-Owned Interconnection Facilities second prepayment of \$945,061.00 ("Payment"). Payment is due no later than 15 days following this notice.

The Payment is required to cover the costs of the Company-Owned Interconnection Facilities. As stated in Attachment G, Section 3(b)(iii)(A) of the PPA, "...receipt of such payment shall constitute Seller's irrevocable authorization to Company to perform such procurement and construction work."

Any delay in making the Payment may result in a delay to the Company-Owned Interconnection Facilities work until the Payment is received, which may extend the Company Milestones and place the project schedule at risk.

As a reminder, there is a true-up provision in Section 3(c) of Attachment G of the PPA, such that, "[i]f the Total Actual Interconnection Cost is less than the payments received by Company as the Total Estimated Interconnection Cost, Company shall repay the difference to Seller within thirty (30) Days of the final accounting."

Please feel free to contact me at (808) 543-7136 should you have any questions.

Sincerely,



Debbie Nuesca
Project Manager

cc: Reese Yorimoto – Hawaiian Electric
Dmitri Jarocki – Hawaiian Electric
Rebecca Dayhuff Matsushima, Esq. – Hawaiian Electric
Ken Aramaki – Hawaiian Electric



August 25, 2015

Via Certified First Class Mail

Mr. Wren Wescoatt
Lanikuhana Solar, LLC
SunEdison
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, Hawaii 96813

**RE: Lanikuana Solar (aka Mililani Solar II) – Company-Owned Interconnection
Facilities Second Prepayment**

Dear Mr. Wescoatt:

Pursuant to Section 3(b)(iii) of Attachment G of the Power Purchase Agreement for Renewable As-Available Energy, dated December 3, 2014 ("PPA"), Hawaiian Electric Company, Inc. ("Hawaiian Electric" or "Company") hereby requests the Company-Owned Interconnection Facilities second prepayment of \$945,247.00 ("Payment"). Payment is due no later than 15 days following this notice.

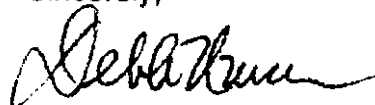
The Payment is required to cover the costs of the Company-Owned Interconnection Facilities. As stated in Attachment G, Section 3(b)(iii)(A) of the PPA, "...receipt of such payment shall constitute Seller's irrevocable authorization to Company to perform such procurement and construction work."

Any delay in making the Payment may result in a delay to the Company-Owned Interconnection Facilities work until the Payment is received, which may extend the Company Milestones and place the project schedule at risk.

As a reminder, there is a true-up provision in Section 3(c) of Attachment G of the PPA, such that, "[i]f the Total Actual Interconnection Cost is less than the payments received by Company as the Total Estimated Interconnection Cost, Company shall repay the difference to Seller within thirty (30) Days of the final accounting."

Please feel free to contact me at (808) 543-7136 should you have any questions.

Sincerely,



Debbie Nuesca
Project Manager

cc: Reese Yorimoto – Hawaiian Electric
Dmitri Jarocki – Hawaiian Electric
Rebecca Dayhuff Matsushima, Esq. – Hawaiian Electric
Ken Aramaki – Hawaiian Electric

August 28, 2015

Hawaiian Electric Company, Inc.
P.O. Box 2750
Honolulu, Hawaii 96840-001
Attn: Rodney S. Chong
Manager Renewable Acquisition
(rodney.chong@hawaiianelectric.com)

RE: Hawaiian Electric's Request to Extend Deadline to Issue Written Statement
Under PPA Section 29.20(C)

Dear Rodney:

Pursuant to Section 29.20(C) of the Power Purchase Agreement for Renewable As-Available Energy (the "PPA") between Hawaiian Electric Company, Inc. ("Hawaiian Electric" or the "Company") and Kawailoa Solar, LLC ("Kawailoa Solar" or "Seller"), "[n]ot later than thirty (30) Days after the issuance of a PUC Approval Order, Company shall provide Seller with a copy of such PUC Approval Order together with a written statement as to whether the conditions set forth in Section 29.20(A) (PUC Approval Order) and Section 29.20(B) (Non-Appealable PUC Approval Order) have been satisfied."

As the Commission's Decision and Order No. 33036, was filed on July 31, 2015, the thirty (30) Day period expires on Sunday, August 30, 2015. Under Section 29.19 (Computation of Time), the deadline for the Company to provide Seller with the written statement under Section 29.20(C) is Monday, August 31, 2015 (the "Deadline").

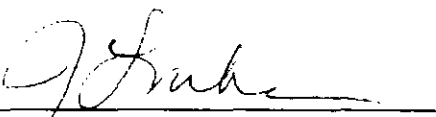
Hawaiian Electric requests an extension of the Deadline to Tuesday, September 8, 2015, 4:30 p.m. Hawaii Standard Time (the "Extended Deadline").

Seller hereby approves Hawaiian Electric's request for an extension and agrees to extend the Deadline to the Extended Deadline.

Please contact me directly if you should have any questions or discussion.

Kawailoa Solar, LLC

By: Kawailoa Solar Holdings, LLC, its member

By 
Jennifer Lootens
Assistant Secretary

August 28, 2015

Hawaiian Electric Company, Inc.
P.O. Box 2750
Honolulu, Hawaii 96840-001
Attn: Rodney S. Chong
Manager Renewable Acquisition
(rodney.chong@hawaiianelectric.com)

RE: Hawaiian Electric's Request to Extend Deadline to Issue Written Statement
Under PPA Section 29.20(C)

Dear Rodney:

Pursuant to Section 29.20(C) of the Power Purchase Agreement for Renewable As-Available Energy (the "PPA") between Hawaiian Electric Company, Inc. ("Hawaiian Electric" or the "Company") and Waipio PV, LLC ("Waipio" or "Seller"), "[n]ot later than thirty (30) Days after the issuance of a PUC Approval Order, Company shall provide Seller with a copy of such PUC Approval Order together with a written statement as to whether the conditions set forth in Section 29.20(A) (PUC Approval Order) and Section 29.20(B) (Non-Appealable PUC Approval Order) have been satisfied."

As the Commission's Decision and Order No. 33036, was filed on July 31, 2015, the thirty (30) Day period expires on Sunday, August 30, 2015. Under Section 29.19 (Computation of Time), the deadline for the Company to provide Seller with the written statement under Section 29.20(C) is Monday, August 31, 2015 (the "Deadline").

Hawaiian Electric requests an extension of the Deadline to Tuesday, September 8, 2015, 4:30 p.m. Hawaii Standard Time (the "Extended Deadline").

Seller hereby approves Hawaiian Electric's request for an extension and agrees to extend the Deadline to the Extended Deadline.

Please contact me directly if you should have any questions or discussion.

Waipio PV, LLC

By: Waipio PV Holdings, LLC, its member

By 
Jennifer Lootens
Assistant Secretary

August 28, 2015

Hawaiian Electric Company, Inc.
P.O. Box 2750
Honolulu, Hawaii 96840-001
Attn: Rodney S. Chong
Manager Renewable Acquisition
(rodney.chong@hawaiianelectric.com)

RE: Hawaiian Electric's Request to Extend Deadline to Issue Written Statement
Under PPA Section 29.20(C)

Dear Rodney:

Pursuant to Section 29.20(C) of the Power Purchase Agreement for Renewable As-Available Energy (the "PPA") between Hawaiian Electric Company, Inc. ("Hawaiian Electric" or the "Company") and Lanikuhana Solar, LLC ("MSII" or "Seller"), "[n]ot later than thirty (30) Days after the issuance of a PUC Approval Order, Company shall provide Seller with a copy of such PUC Approval Order together with a written statement as to whether the conditions set forth in Section 29.20(A) (PUC Approval Order) and Section 29.20(B) (Non-Appealable PUC Approval Order) have been satisfied."

As the Commission's Decision and Order No. 33036, was filed on July 31, 2015, the thirty (30) Day period expires on Sunday, August 30, 2015. Under Section 29.19 (Computation of Time), the deadline for the Company to provide Seller with the written statement under Section 29.20(C) is Monday, August 31, 2015 (the "Deadline").

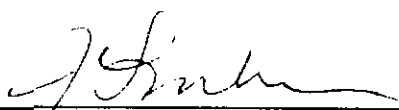
Hawaiian Electric requests an extension of the Deadline to Tuesday, September 8, 2015, 4:30 p.m. Hawaii Standard Time (the "Extended Deadline").

Seller hereby approves Hawaiian Electric's request for an extension and agrees to extend the Deadline to the Extended Deadline.

Please contact me directly if you should have any questions or discussion.

Lanikuhana Solar, LLC

By: Mililani South PV, LLC, its member

By 
Jennifer Lootens
Assistant Secretary



SHELEE M. KIMURA
Vice President
Corporate Planning & Business Development

September 3, 2015

**Via Email and
Certified Mail
Return Receipt Requested**

Mr. Wren Wescoatt
c/o SunEdison, LLC Waipio PV, LLC
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813

**Re: Power Purchase Agreement for Renewable As-Available Energy dated,
December 3, 2014**

Dear Mr. Wescoatt:

On July 31, 2015, the State of Hawai'i Public Utilities Commission ("PUC") issued Decision and Order No. 33038 ("Order No. 33038") in Docket No. 2014-0359 in connection with the Power Purchase Agreement for Renewable As-Available Energy dated December 3, 2014 ("PPA") between Hawaiian Electric Company, Inc. ("Hawaiian Electric") and Waiawa PV, LLC (now known as Waipio PV, LLC) ("Waipio PV"). This notice serves as Hawaiian Electric's written statement to Waipio PV that Order No. 33038 satisfies the conditions set forth in Sections 29.20(A) of the PPA. Order No. 33038 is not subject to appeal as the Appeal Period (as defined in the PPA) has passed without the filing of notice of such an appeal, and therefore, the conditions of Section 29.20(B) have also been satisfied.

Pursuant to Section 29.20(D)(1), the "Non-Appealable PUC Approval Date" is July 31, 2015 (the date of issuance of the PUC Approval Order). According to the PPA, the Effective Date shall be the Non-appealable PUC Approval Order Date. Therefore, the Effective Date shall be July 31, 2015.

Please contact Rodney Chong, Manager, Renewable Acquisition should you have any questions.

Sincerely,



SHELEE M. KIMURA
Vice President
Corporate Planning & Business Development

September 3, 2015

**Via Email and
Certified Mail
Return Receipt Requested**

Mr. Wren Wescoatt
c/o SunEdison, LLC Lanikuhana Solar, LLC
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813

**Re: Power Purchase Agreement for Renewable As-Available Energy dated,
December 3, 2014**

Dear Mr. Wescoatt:

On July 31, 2015, the State of Hawai'i Public Utilities Commission ("PUC") issued Decision and Order No. 33037 ("Order No. 33037") in Docket No. 2014-0357 in connection with the Power Purchase Agreement for Renewable As-Available Energy dated December 3, 2014 ("PPA") between Hawaiian Electric Company, Inc. ("Hawaiian Electric") and Lanikuhana Solar, LLC ("Lanikuhana Solar"). This notice serves as Hawaiian Electric's written statement to Lanikuhana Solar that Order No. 33037 satisfies the conditions set forth in Sections 29.20(A) of the PPA. Order No. 33037 is not subject to appeal as the Appeal Period (as defined in the PPA) has passed without the filing of notice of such an appeal, and therefore, the conditions of Section 29.20(B) have also been satisfied.

Pursuant to Section 29.20(D)(1), the "Non-Appealable PUC Approval Date" is July 31, 2015 (the date of issuance of the PUC Approval Order). According to the PPA, the Effective Date shall be the Non-appealable PUC Approval Order Date. Therefore, the Effective Date shall be July 31, 2015.

Please contact Rodney Chong, Manager, Renewable Acquisition should you have any questions.

Sincerely,

A cursive handwritten signature in dark ink.



SHELEE M. KIMURA
Vice President
Corporate Planning & Business Development

September 3, 2015

**Via Email and
Certified Mail
Return Receipt Requested**

Mr. Wren Wescoatt
c/o SunEdison, LLC Kawaihoa Solar, LLC
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813

**Re: Amended and Restated Power Purchase Agreement for Renewable As-Available
Energy dated, May 29, 2015**

Dear Mr. Wescoatt:

On July 31, 2015, the State of Hawai'i Public Utilities Commission ("PUC") issued Decision and Order No. 33036 ("Order No. 33036") in Docket No. 2014-0356 in connection with the Amended and Restated Power Purchase Agreement for Renewable As-Available Energy dated May 29, 2015 ("PPA"), between Hawaiian Electric Company, Inc. ("Hawaiian Electric") and Kawaihoa Solar, LLC ("Kawaihoa Solar"). This notice serves as Hawaiian Electric's written statement to Kawaihoa Solar that Order No. 33036 satisfies the conditions set forth in Sections 29.20(A) of the PPA. Order No. 33036 is not subject to appeal as the Appeal Period (as defined in the PPA) has passed without the filing of notice of such an appeal, and therefore, the conditions of Section 29.20(B) have also been satisfied.

Pursuant to Section 29.20(D)(1), the "Non-Appealable PUC Approval Date" shall be July 31, 2015. According to the PPA, the Effective Date shall be the last to occur of (i) the Non-appealable PUC Approval Order Date and (ii) any PUC approval required by applicable laws (for example, for overhead lines) for the interconnection solution set forth in this Agreement. The PUC approved the PPA and the interconnection solution on July 31, 2015. Therefore, the Effective Date shall be the Non-Appealable PUC Approval Date or July 31, 2015. Please contact Rodney Chong, Manager, Renewable Acquisition should you have any questions.

Sincerely,



September 16, 2015

Via Certified First Class Mail

Mr. Wren Wescoatt
Waiawa PV, LLC
SunEdison
Ali'i Place
1099 Alakea Street, Suite 2440
Honolulu, Hawaii 96813

**RE: Waiawa PV (aka Waipio Solar) – Company-Owned Interconnection
Facilities Second Prepayment**

Dear Mr. Wescoatt:

Pursuant to Section 3(b)(iii) of Attachment G of the Power Purchase Agreement for Renewable As-Available Energy, dated December 3, 2014 ("PPA"), Hawaiian Electric Company, Inc. ("Hawaiian Electric" or "Company") hereby requests the Company-Owned Interconnection Facilities second prepayment of \$945,061.00 ("Payment"). Payment is due no later than 15 days following this notice.

The Payment is required to cover the costs of the Company-Owned Interconnection Facilities. As stated in Attachment G, Section 3(b)(iii)(A) of the PPA, "...receipt of such payment shall constitute Seller's irrevocable authorization to Company to perform such procurement and construction work."

Any delay in making the Payment may result in a delay to the Company-Owned Interconnection Facilities work until the Payment is received, which may extend the Company Milestones and place the project schedule at risk.

As a reminder, there is a true-up provision in Section 3(c) of Attachment G of the PPA, such that, "[i]f the Total Actual Interconnection Cost is less than the payments received by Company as the Total Estimated Interconnection Cost, Company shall repay the difference to Seller within thirty (30) Days of the final accounting."

Mr. Wren Wescoatt
Waiawa PV, LLC (aka Waipio Solar)
September 16, 2015
Page 2 of 2

Please feel free to contact me at (808) 543-7136 should you have any questions.

Sincerely,



Debbie Nuesca
Project Manager

cc: (Hawaiian Electric)
Reese Yorimoto
Dmitri Jarocki
Rebecca Dayhuff Matsushima, Esq.
Ken Aramaki



September 16, 2015

Via Certified First Class Mail

Mr. Wren Wescoatt
Lanikuhana Solar, LLC
SunEdison
Ali'i Place
1099 Alakea Street, Suite 2440
Honolulu, Hawaii 96813

RE: Lanikuhana Solar (aka Mililani Solar II) – Company-Owned Interconnection Facilities Second Prepayment

Dear Mr. Wescoatt:

Pursuant to Section 3(b)(iii) of Attachment G of the Power Purchase Agreement for Renewable As-Available Energy, dated December 3, 2014 ("PPA"), Hawaiian Electric Company, Inc. ("Hawaiian Electric" or "Company") hereby requests the Company-Owned Interconnection Facilities second prepayment of \$945,247.00 ("Payment"). Payment is due no later than 15 days following this notice.

The Payment is required to cover the costs of the Company-Owned Interconnection Facilities. As stated in Attachment G, Section 3(b)(iii)(A) of the PPA, "...receipt of such payment shall constitute Seller's irrevocable authorization to Company to perform such procurement and construction work."

Any delay in making the Payment may result in a delay to the Company-Owned Interconnection Facilities work until the Payment is received, which may extend the Company Milestones and place the project schedule at risk.

As a reminder, there is a true-up provision in Section 3(c) of Attachment G of the PPA, such that, "[i]f the Total Actual Interconnection Cost is less than the payments received by Company as the Total Estimated Interconnection Cost, Company shall repay the difference to Seller within thirty (30) Days of the final accounting."

Mr. Wren Wescoatt
Lanikuana Solar, LLC (aka Millilani Solar II)
September 16, 2015
Page 2 of 2

Please feel free to contact me at (808) 543-7136 should you have any questions.

Sincerely,



Debbie Nuesca
Project Manager

cc: (Hawaiian Electric)
Reese Yorimoto
Dmitri Jarocki
Rebecca Dayhuff Matsushima, Esq.
Ken Aramaki

DEFERRAL AGREEMENT

THIS DEFERRAL AGREEMENT (this "Deferral") dated as of October 21, 2015, is entered into by HAWAIIAN ELECTRIC COMPANY, INC., a Hawaii corporation ("Hawaiian Electric") and WAPIO PV, LLC, a Delaware limited liability company ("Seller"), with reference to the following facts:

RECITALS

A. Hawaiian Electric and Seller are parties to that certain Power Purchase Agreement for Renewable As-Available Energy, dated as of December 3, 2014 (the "Agreement").

B. Seller has agreed to complete certain conditions precedent on or before the applicable dates set forth in Attachment K-1 of the Agreement; however, Seller does not believe it will be able to (i) complete preparation of the site of the Company-Owned Interconnection Facilities for start of construction by Hawaiian Electric, (ii) obtain and provide to Hawaiian Electric an easement from Castle & Cooke Homes Hawaii, Inc. providing access to the Facility site ("Site Access Easement"), (iv) obtain and provide to Hawaiian Electric an easement from Hawaiian Telecom as required to construct the Company-Owned Interconnection Facilities (the "Hawaiian Telecom Easements"), and (iv) the building permit required to construct the Company-Owned Interconnection Facilities (the "Building Permit"), in each case on or before October 15, 2015 (collectively, the "October Conditions Precedent").

C. Seller has requested that Hawaiian Electric defer the October Conditions Precedent subject to a one-time extension as set forth below.

D. Hawaiian Electric is willing to provide such accommodations to Seller on the terms and conditions set forth below.

NOW, THEREFORE, the parties hereby agree as follows:

1. Defined Terms. Any and all initially capitalized terms used in this Deferral (including, without limitation, in the Recitals to this Deferral) without definition shall have the respective meanings assigned thereto in the Agreement.
2. Deferral. Hawaiian Electric hereby agrees to defer the dates to achieve the following conditions precedent:
 - (a) The date for Seller's completion of the preparation of the site of the Company-Owned Interconnection Facilities for start of construction by Hawaiian Electric on or before October 15, 2015 is deferred to October 31, 2015;
 - (b) The date for Seller's obtaining and providing the Site Access Easement on or before October 15, 2015 is deferred to October 30, 2015
 - (c) The date for Seller's obtaining and providing the Hawaiian Telecom Easement on or before October 15, 2015 is deferred to October 26, 2015; and
 - (d) the date for Seller's obtaining and providing the Building Permit on or before October 15, 2015 is deferred to October 30, 2015.

Hawaiian Electric's deferrals set forth in this Section 2(a), (b), (c) and (d) shall not constitute a deferral or waiver of any other obligations of Seller under the Agreement.

3. Counterparts. This Deferral may be executed in multiple counterparts, each of which when so executed and delivered shall be deemed an original, and all of which, taken together, shall constitute but one and the same agreement. The parties agree that this Agreement may be executed and delivered by exchange of executed copies via facsimile, electronic mail ("email") or other acceptable electronic means, and in electronic formats such as Adobe PDF or other formats mutually agreeable between the parties which preserve the final terms of this Agreement. A party's signature transmitted by facsimile, email or other acceptable electronic means shall be considered an "original" signature which is binding and effective for all purposes of this Agreement.
4. Governing Law. This Deferral, the interpretation and construction of this Waiver and any provision of this Deferral and of any issue relating to the transactions contemplated by this Deferral shall be governed by the laws of the State of Hawai'i, not including conflicts of law rules.

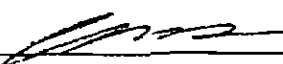
[Signature Page Follows]

IN WITNESS WHEREOF, Seller and Hawaiian Electric have executed this Deferral by their respective duly authorized officers, in each case, as of the date first above written.

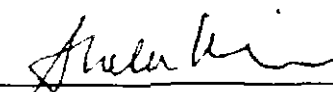
HAWAIIAN ELECTRIC COMPANY, INC.,
a Hawaiian corporation

WAIPIO PV, LLC,
a Delaware limited liability company

By: Waipio PV Holdings, LLC, its member

By:  10/21/15
Name: Colton K. Ching
Title: V.P. Energy Delivery

By: _____
Name: _____
Title: _____

By:  10/21/15
Name: Shelee M. T. Kimura
Title: V.P., Corporate Planning &
Business Development

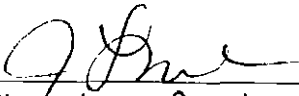
IN WITNESS WHEREOF, Seller and Hawaiian Electric have executed this Deferral
by their respective duly authorized officers, in each case, as of the date first above written.

HAWAIIAN ELECTRIC COMPANY, INC.,
a Hawaiian corporation

WAIPIO PV, LLC,
a Delaware limited liability company

By: Waipio PV Holdings, LLC, its member

By: _____
Name: _____
Title: _____

By: 
Name: Jennifer Looews
Title: Assistant Secretary

By: _____
Name: _____
Title: _____

DEFERRAL AGREEMENT

THIS DEFERRAL AGREEMENT (this "Deferral") dated as of October 21, 2015, is entered into by HAWAIIAN ELECTRIC COMPANY, INC., a Hawaii corporation ("Hawaiian Electric") and Lanikuhana Solar, LLC, a Hawaii limited liability company ("Seller"), with reference to the following facts:

RECITALS

A. Hawaiian Electric and Seller are parties to that certain Power Purchase Agreement for Renewable As-Available Energy, dated as of December 3, 2014 (the "Agreement").

B. Seller has agreed to complete certain conditions precedent on or before the applicable dates set forth in Attachment K-1 of the Agreement; however, Seller does not believe it will be able to (i) complete preparation of the site of the Company-Owned Interconnection Facilities for start of construction by Hawaiian Electric, (ii) obtain and provide to Hawaiian Electric an easement from Hawaiian Telecom ("Hawaiian Telecom Easement") as required to construct the Company-Owned Interconnection Facilities, and (iv) the building permit required to construct the Company-Owned Interconnection Facilities (the "Building Permit"), in each case on or before October 15, 2015 (collectively, the "October Conditions Precedent").

C. Seller has requested that Hawaiian Electric defer the October Conditions Precedent subject to a one-time extension as set forth below.

D. Hawaiian Electric is willing to provide such accommodations to Seller on the terms and conditions set forth below.

NOW, THEREFORE, the parties hereby agree as follows:

1. Defined Terms. Any and all initially capitalized terms used in this Deferral (including, without limitation, in the Recitals to this Deferral) without definition shall have the respective meanings assigned thereto in the Agreement.
2. Deferral. Hawaiian Electric hereby agrees to defer the dates to achieve the following conditions precedent:
 - (a) The date for Seller's completion of the preparation of the site of the Company-Owned Interconnection Facilities for start of construction by Hawaiian Electric on or before October 15, 2015 is deferred to October 31, 2015;
 - (b) The date for Seller's obtaining and providing the Hawaiian Telecom Easement on or before October 15, 2015 is deferred to October 26, 2015; and
 - (c) The date for Seller's obtaining and providing the Building Permit on or before October 15, 2015 is deferred to October 30, 2015.

Hawaiian Electric's deferrals set forth in this Section 2(a), (b), and (c) shall not constitute a deferral or waiver of any other obligations of Seller under the Agreement.

3. Counterparts. This Deferral may be executed in multiple counterparts, each of which when so executed and delivered shall be deemed an original, and all of which, taken together, shall constitute but one and the same agreement. The parties agree that this Agreement may be executed and delivered by exchange of executed copies via facsimile, electronic mail ("email") or other acceptable electronic means, and in electronic formats such as Adobe PDF or other formats mutually agreeable between the parties which preserve the final terms of this Agreement. A party's signature transmitted by facsimile, email or other acceptable electronic means shall be considered an "original" signature which is binding and effective for all purposes of this Agreement.
4. Governing Law. This Deferral, the interpretation and construction of this Deferral and any provision of this Deferral and of any issue relating to the transactions contemplated by this Deferral shall be governed by the laws of the State of Hawai'i, not including conflicts of law rules.

[Signature Page Follows]

IN WITNESS WHEREOF, Seller and Hawaiian Electric have executed this Deferral by their respective duly authorized officers, in each case, as of the date first above written.

HAWAIIAN ELECTRIC COMPANY, INC.,
a Hawaiian corporation

LANIKUHANA SOLAR, LLC,
a Hawaiian limited liability company

By: Mililani South PV, LLC, its member

By: [Signature] 10/21/15
Name: Cotton K. Ching
Title: V.P. Energy Delivery

By: _____
Name: _____
Title: _____

By: [Signature] 10/21/15
Name: Shelee M. T. Kimura
Title: V.P., Corporate Planning &
Business Development

IN WITNESS WHEREOF, Seller and Hawaiian Electric have executed this Deferral
by their respective duly authorized officers, in each case, as of the date first above written.


HAWAIIAN ELECTRIC COMPANY, INC.,
a Hawaiian corporation

By: _____
Name:
Title:

By: _____
Name:
Title:

LANIKUHANA SOLAR, LLC,
a Hawaiian limited liability company

By: Mililani South PV, LLC, its member

By:  _____
Name: Jennifer Luten
Title: Assistant Secretary



October 28, 2015

Via Certified First Class Mail

Mr. Wren Wescoatt
Waiawa PV, LLC
SunEdison
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813

**RE: Waiawa PV (aka Waipio Solar) – Balance of Company-Owned Interconnection Facilities
Prepayment**

Dear Mr. Wescoatt:

Pursuant to Section 3(b)(iii) of Attachment G of the Power Purchase Agreement for Renewable As-Available Energy, dated December 3, 2014 ("PPA"), Hawaiian Electric Company, Inc. ("Hawaiian Electric" or "Company") hereby requests the payment of the balance of the Company-Owned Interconnection Facilities prepayment amount of \$8,265,017.00 ("Payment"). Payment is due no later than 15 days following this notice.

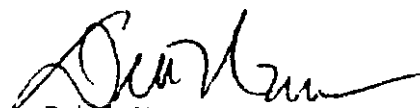
The Payment is required to cover the costs of the Company-Owned Interconnection Facilities. As stated in Attachment G, Section 3(b)(iii)(A) of the PPA, "...receipt of such payment shall constitute Seller's irrevocable authorization to Company to perform such procurement and construction work."

Any delay in making the Payment may result in a delay to the Company-Owned Interconnection Facilities work until the Payment is received, which may extend the Company Milestones and place the project schedule at risk.

As a reminder, there is a true-up provision in Section 3(c) of Attachment G of the PPA, such that, "[i]f the Total Actual Interconnection Cost is less than the payments received by Company as the Total Estimated Interconnection Cost, Company shall repay the difference to Seller within thirty (30) Days of the final accounting."

Please feel free to contact me at (808) 543-7136 should you have any questions.

Sincerely,



Debbie Nuesca
Project Manager

cc: Reese Yorimoto – Hawaiian Electric
Dmitri Jarocki – Hawaiian Electric
Rebecca Dayhuff Matsushima, Esq. – Hawaiian Electric
Ken Aramaki – Hawaiian Electric



October 28, 2015

Via Certified First Class Mail

Mr. Wren Wescoatt
Lanikuhana Solar, LLC
SunEdison
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813

RE: Lanikuhana Solar (aka Mililani Solar II) – Balance of Company-Owned Interconnection Facilities Prepayment

Dear Mr. Wescoatt:

Pursuant to Section 3(b)(iii) of Attachment G of the Power Purchase Agreement for Renewable As-Available Energy, dated December 3, 2014 ("PPA"), Hawaiian Electric Company, Inc. ("Hawaiian Electric" or "Company") hereby requests the payment of the balance of the Company-Owned Interconnection Facilities prepayment amount of \$8,375,323.00 ("Payment"). Payment is due no later than 15 days following this notice.

The Payment is required to cover the costs of the Company-Owned Interconnection Facilities. As stated in Attachment G, Section 3(b)(iii)(A) of the PPA, "...receipt of such payment shall constitute Seller's irrevocable authorization to Company to perform such procurement and construction work."

Any delay in making the Payment may result in a delay to the Company-Owned Interconnection Facilities work until the Payment is received, which may extend the Company Milestones and place the project schedule at risk.

As a reminder, there is a true-up provision in Section 3(c) of Attachment G of the PPA, such that, "[i]f the Total Actual Interconnection Cost is less than the payments received by Company as the Total Estimated Interconnection Cost, Company shall repay the difference to Seller within thirty (30) Days of the final accounting."

Please feel free to contact me at (808) 543-7136 should you have any questions.

Sincerely,



Debbie Nuesca
Project Manager

cc: Reese Yorimoto – Hawaiian Electric
Dmitri Jarocki – Hawaiian Electric
Rebecca Dayhuff Matsushima, Esq. – Hawaiian Electric
Ken Aramaki – Hawaiian Electric



November 5, 2015

Via Certified First Class Mail

Mr. Wren Wescoatt
Waiawa PV, LLC
SunEdison
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813

**RE: Waiawa PV (aka Waipio Solar) – Balance of Company-Owned Interconnection Facilities
Prepayment – Extending payment due date to November 30, 2015**

Dear Mr. Wescoatt:

This letter is in follow-up to my October 28, 2015 letter requesting for payment of the balance of the Company-Owned Interconnection Facilities prepayment amount of \$8,265,017.00 ("Payment"). Hawaiian Electric hereby extends the date for such payment to November 30, 2015 as requested by SunEdison due to construction financing purposes.

Any further delay in making Payment may result in a delay to the Company-Owned Interconnection Facilities work, which may extend the Company Milestones and place the project schedule at risk.

Please feel free to contact me at (808) 543-7136 should you have any questions.

Sincerely,

Debbie Nuesca
Project Manager

cc: Reese Yorimoto – Hawaiian Electric
Dmitri Jarocki – Hawaiian Electric
Rebecca Dayhuff Matsushima, Esq. – Hawaiian Electric
Ken Aramaki – Hawaiian Electric



November 5, 2015

Via Certified First Class Mail

Mr. Wren Wescoatt
Lanikuhana Solar, LLC
SunEdison
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813

**RE: Lanikuhana Solar (aka Mililani Solar II) – Balance of Company-Owned Interconnection
Facilities Prepayment – Extending payment due date to November 30, 2015**

Dear Mr. Wescoatt:

This letter is in follow-up to my October 28, 2015 letter requesting for payment of the balance of the Company-Owned Interconnection Facilities prepayment amount of \$8,375,323.00 ("Payment"). Hawaiian Electric hereby extends the date for such payment to November 30, 2015 as requested by SunEdison due to construction financing purposes.

Any further delay in making Payment may result in a delay to the Company-Owned Interconnection Facilities work, which may extend the Company Milestones and place the project schedule at risk.

Please feel free to contact me at (808) 543-7136 should you have any questions.

Sincerely,

Debbie Nuesca
Project Manager

cc: Reese Yorimoto – Hawaiian Electric
Dmitri Jarocki – Hawaiian Electric
Rebecca Dayhuff Matsushima, Esq. – Hawaiian Electric
Ken Aramaki – Hawaiian Electric

12 November 2015



Subject: Earthwork Report after Grading for HECO Pads (2)
Waipio Solar Farm
TMK: 9-5-003:004
Grading Permit Number GP2015-10-0504 &
Mililani I and II Solar Farm
TMK: 9-4-005:090,091,092,096,097
Grading Permit Number GP2015-09-0461

Based on the observation and testing performed by our field personnel and our ability to closely coordinate all grading testing activities with the general contractor and its subcontractors, we hereby certify that the grading for the HECO Switchyard pads was completed in conformance with Chapter 14: Articles 13, 14, 15 & 16 as related to grading, soil erosion and sediment control of the Revised Ordinances of Honolulu 1990, as amended and the approved project plans and specifications.

Certification is defined as a design professional's opinion based on observation of conditions, knowledge, information and beliefs. It is expressly understood that the design professional's certification of condition's existence relieves no other party of any responsibility or obligation he or she has accepted by contract or custom.

Please contact our office should you have questions or require additional information.
Respectfully Submitted,



Enclosures:
Density Test Summary



SUMMARY OF LABORATORY AND FIELD TESTING

Project Mililani & Waipio Solar Farms
Number 4907

This document has been reviewed by me
and is a certified copy of the density tests
performed by [REDACTED] at the
Mililani & Waipio Solar Farm Projects
This certification covers pages 1 thru 2.

LABORATORY TEST DATA

Proctor ID	Soil Description	Max Dry Unit Weight (pcf)	Optimum Moisture (%)
3347	Brown Silty Sand & Clay with orange/white/gray tuff	88.8	32.3%
3344	Dark Red Sandy Silt with Clay	99.5	25.9%
3345	Dark Red Sandy Silt with Clay	104	24.3%
3356	Red Sandy Silt	94.3	29.2%
3367	Dark Brown Gravel with silty sand	140.1	10.8%
M1	3356/3367 Mix	121.6	20.2%

FIELD TEST DATA

Test No.	Date of Test	Test Location	Test Elevation	Dry Unit Weight (pcf)	Moisture Content (%)	Relative Compaction (%)	Compaction Required	Pass or Fail	Proctor Value (pcf)	Proctor ID
1	10/13/2015	HECO Pad Mililani Northside	SG	102.1	15.7	98	90	Pass	104	3345
2	"	HECO Pad Mililani Middle	SG	101.1	18.1	97	90	Pass	104	3345
3	"	HECO Mililani Pad Southside	SG	97.9	19.2	94	90	Pass	104	3345
4	"	HECO Mililani Pad Northside CMU Wall	SG	101.3	14.4	97	90	Pass	104	3345
5	"	HECO Pad Mililani Northside CMU Wall	-48	95	26.9	91	90	Pass	104	3345
6	"	HECO Pad Mililani Northside CMU Wall	-48	90.7	24.5	87	90	Fail	104	3345
7	10/14/2015	HECO Pad Mililani Northside CMU Wall (retest of 6)	-48	88.6	29.9	94	90	Pass	94.3	3344
8	"	HECO Pad Mililani Westside	-48	81.1	36.1	91	90	Pass	88.8	3347
9	"	HECO Pad Mililani Middle	-48	95.7	95.7	101	90	Pass	94.3	3347
10	"	HECO Pad Mililani Southside	-48	90.1	26.8	96	90	Pass	94.3	3347
11	10/15/2015	HECO Pad Mililani Northside	-40	95.8	27.5	102	90	Pass	94.3	3347
12	"	HECO Pad Mililani Southside	-40	88.5	33.9	94	90	Pass	94.3	3347
13	"	HECO Pad Mililani West	-40	89.1	30.4	94	90	Pass	94.3	3347
14	"	HECO Pad Mililani Northside	-32	88.2	30.9	99	90	Pass	88.8	3347
15	"	HECO Pad Mililani West	-32	88.3	30.4	99	90	Pass	88.8	3347
16	"	HECO Pad Mililani Eastside	-32	84.1	32.6	95	90	Pass	88.8	3347
17	"	HECO Pad Mililani Middle	-32	82.3	36.1	93	90	Pass	88.8	3347
18	"	HECO Pad Mililani Southside	-32	88.3	32.3	99	90	Pass	88.8	3347
19	10/16/15	HECO Pad Mililani North	-24	98.3	23.3	95	90	Pass	104	3345
20	"	HECO Pad Mililani Middle	-24	99.6	26	96	90	Pass	104	3345
21	"	HECO Pad Mililani South End	-24	91.7	28.7	88	90	Fail	104	3345
22	"	HECO Pad Mililani NorthEast	-18	98.2	28.5	94	95	Pass	104	3345
23	"	HECO Pad Mililani East End	-18	103.2	22.2	99	95	Pass	104	3345
24	"	HECO Pad Mililani SoutEast End	-18	100.2	21.1	96	95	Pass	104	3345
25	"	HECO Pad Mililani Southeast corner	-18	103.2	23	99	95	Pass	104	3345
26	10/17/2015	HECO Pad Mililani North	-8	127.4	25.7	123	95	Pass	104	3345
27	"	HECO Pad Mililani South End (retest of 21)	-24	95.6	26.3	92	90	Pass	104	3345
28	"	HECO Pad Mililani East End	-8	91.3	34	88	95	Fail	104	3345
29	"	HECO Pad Mililani SoutEast End	-8	98.4	30	95	95	Pass	104	3345
30	"	HECO Pad Mililani East End (retest of 28)	-8	99.8	25.5	96	95	Pass	104	3345

31	"	HECO Pad Mililani Westend	-8	97.9	32.4	94	95	Fail	104	3345
32	"	HECO Pad Mililani Westend (retest of 31)	-8	98.1	29.1	99	95	Pass	99.5	3344
34		HECO Pad Mililani SouthEast	FG	92.4	18.5	93	95	Fail	99.5	3344
35		HECO Pad Mililani SouthEast (retest of 34)	FG	98.4	19.7	99	95	Pass	99.5	3344
36		HECO Pad Mililani East End	FG	100.5	28.8	97	95	Pass	104	3345
37		HECO Pad Mililani West End	FG	104.5	23	100	95	Pass	104	3345
38		HECO Drain Pipe Mililani West End	FG	98.4	19.7	95	95	Pass	104	3345
44	10/23/2015	HECO Pad at Waipio Solar Farm Proof Roll	SG	89.1	29.5	94	90	Pass	94.3	3356
48	10/24/2015	HECO Pad at Waipio Solar Farm North	-24	92.6	27.1	98	90	Pass	94.3	3356
49	"	HECO Pad at Waipio Solar Farm West	-24	88	31.9	93	90	Pass	94.3	3356
50	10/25/2015	HECO Pad at Waipio Solar Farm Southwest	-24	85.9	34.2	91	90	Pass	94.3	3356
51	"	HECO Pad at Waipio Solar Farm Northwest	-16	91.5	29.1	97	90	Pass	94.3	3356
52	"	HECO Pad at Waipio Solar Farm Middle	-16	95.6	26.9	101	95	Pass	94.3	3356
53	"	HECO Pad at Waipio Solar Farm South	-16	89.4	31.7	95	95	Pass	94.3	3356
54	"	HECO Pad at Waipio Solar Farm South Test	-16	91.8	28.5	97	95	Pass	94.3	3356
55	"	HECO Pad at Waipio Solar Farm Middle	-16	90.1	28.5	96	95	Pass	94.3	3356
56	10/26/2015	HECO Pad at Waipio Solar Farm East End	-8	93.5	27.8	99	95	Pass	94.3	3356
57	"	HECO Pad at Waipio Solar Farm West End	-8	86.4	33.5	92	95	Fail	94.3	3356
58	"	HECO Pad at Waipio Solar Farm West (retest of 57)	-8	91.4	29.7	97	95	Pass	94.3	3356
59	10/27/2015	HECO Pad at Waipio Solar Farm South End	FG	78.3	29.1	83	95	Fail	94.3	3356
60	"	HECO Pad Waipio Farm South End (retest of 59)	FG	91.4	27.7	97	95	Pass	94.3	3356
61	"	HECO Pad at Waipio Solar Farm West End	FG	90.8	31	96	95	Pass	94.3	3356
62	10/29/2015	HECO Pad Waipio Mauka side of CMU Wall East End	FG	117.1	23.8	96	95	Pass	121.6	M1
63	"	HECO Pad Waipio Mauka side of CMU Wall Middle section	FG	118.4	23.6	97	95	Pass	121.6	M1
64	"	HECO Pad Waipio Mauka side of CMU Wall West End	FG	117.3	23.3	96	95	Pass	121.6	M1
68	11/1/15	HECO Pad Eastend	-16	94.6	26.7	95	90	Pass	99.5	3344

* Gaps in test numbers indicate tests that were performed in areas other than the HECO pads.

18 November 2015

[REDACTED]

Subject: Earthwork Report after Grading for HECO Pad
Waipio Solar Farm
TMK: 9-5-003:004
Grading Permit Number GP2015-10-0504 &

Based on the observation and testing performed by our field personnel and our ability to closely coordinate all grading testing activities with the general contractor and its subcontractors, we hereby certify that the grading for the HECO Switchyard pad was completed in conformance with Chapter 14: Articles 13, 14, 15 & 16 as related to grading, soil erosion and sediment control of the Revised Ordinances of Honolulu 1990, as amended, the approved project plans and specifications and the Geotechnical Report issued by [REDACTED] Dated March 11, 2015 entitled *Subsurface Investigation Report – Akau Substation (Koa Ridge)*.

As confirmation, some key elements of the Recommendations section of the subsurface investigation report are highlighted herein. These include;

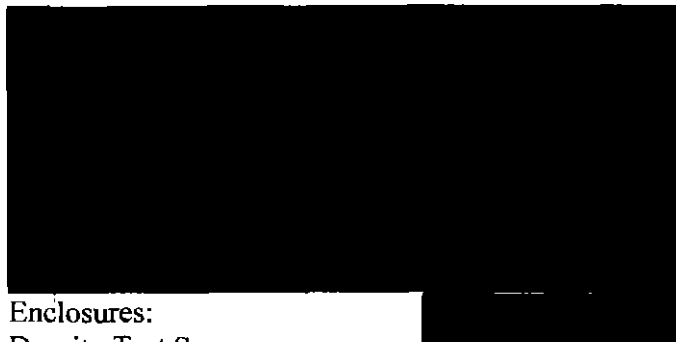
- (6.) The area to receive fill material was cleared & grubbed and verified by our field technician.
 - (7.) The "disturbed surface material" was removed down to hard undisturbed soils as verified by our field technician.
 - (8.) The area to receive fill was proof rolled and (13.) scarified & moisture conditioned prior to receiving fill.
 - (15.) On-site excavated soils free of unsatisfactory materials with no particles exceeding 3" were placed, moisture conditioned and compacted to (16.) 90% relative compaction for all materials except for the top two feet which were compacted to 95% relative compaction as verified by (52.) full time observation by our field technician and (53.) Intermittent random field density tests.
- [REDACTED]



The optimum moisture content for the soils placed within the fill area was generally 29%. As indicated by the in place density tests the fill material was compacted within a few percent of optimum which is consistent with industry standards. In cases where the optimum moisture fell outside that range, the density tests generally did not pass and were retested once the moisture fell into the proper range.

Certification is defined as a design professional's opinion based on observation of conditions, knowledge, information and beliefs. It is expressly understood that the design professional's certification of condition's existence relieves no other party of any responsibility or obligation he or she has accepted by contract or custom.

Please contact our office should you have questions or require additional information.
Respectfully Submitted,



Enclosures:
Density Test Summary



SUMMARY OF LABORATORY AND FIELD TESTING

Project Mililani & Waipio Solar Farms
Number 4907

This document has been reviewed by me
and is a certified copy of the density tests
performed by [REDACTED] at the
Waipio Solar Farm Project - HECO Pad
This certification covers pages 1 thru 1

LABORATORY TEST DATA

Proctor ID	Soil Description	Max Dry Unit Weight (pcf)	Optimum Moisture (%)
3347	Brown Silty Sand & Clay with orange/white/gray tuff	88.8	32.3%
3344	Dark Red Sandy Silt with Clay	99.5	25.9%
3345	Dark Red Sandy Silt with Clay	104	24.3%
3356	Red Sandy Silt	94.3	29.2%
3367	Dark Brown Gravel with silty sand	140.1	10.8%
M1	3356/3367 Mix	121.6	20.2%

FIELD TEST DATA

Test No.	Date of Test	Test Location	Test Elevation	Dry Unit Weight (pcf)	Moisture Content (%)	Relative Compaction (%)	Compaction Required	Pass or Fail	Proctor Value (pcf)	Proctor ID
44	10/23/2015	HECO Pad at Waipio Solar Farm Proof Roll	872	89.1	29.5	94	90	Pass	94.3	3356
48	10/24/2015	HECO Pad at Waipio Solar Farm North	890	92.6	27.1	98	90	Pass	94.3	3356
49	"	HECO Pad at Waipio Solar Farm West	882	88	31.9	93	90	Pass	94.3	3356
50	10/25/2015	HECO Pad at Waipio Solar Farm Southwest	875	85.9	34.2	91	90	Pass	94.3	3356
51	"	HECO Pad at Waipio Solar Farm Northwest	883	91.5	29.1	97	90	Pass	94.3	3356
52	"	HECO Pad at Waipio Solar Farm Middle	888	95.6	26.9	101	95	Pass	94.3	3356
53	"	HECO Pad at Waipio Solar Farm South	886	89.4	31.7	95	95	Pass	94.3	3356
54	"	HECO Pad at Waipio Solar Farm South	889	91.8	28.5	97	95	Pass	94.3	3356
55	"	HECO Pad at Waipio Solar Farm Middle	889	90.1	28.5	96	95	Pass	94.3	3356
56	10/26/2015	HECO Pad at Waipio Solar Farm East End	892	93.5	27.8	99	95	Pass	94.3	3356
57	"	HECO Pad at Waipio Solar Farm West End	885	86.4	33.5	92	95	Fail	94.3	3356
58	"	HECO Pad at Waipio Solar Farm West (retest of 57)	885	91.4	29.7	97	95	Pass	94.3	3356
59	10/27/2015	HECO Pad at Waipio Solar Farm South End	890	78.3	29.1	83	95	Fail	94.3	3356
60	"	HECO Pad Waipio Farm South End (retest of 59)	890	91.4	27.7	97	95	Pass	94.3	3356
61	"	HECO Pad at Waipio Solar Farm West End	888	90.8	31	96	95	Pass	94.3	3356
62	10/29/2015	HECO Pad Waipio Mauka side of CMU Wall East End	FG	117.1	23.8	96	95	Pass	121.6	M1
63	"	HECO Pad Waipio Mauka side of CMU Wall Middle section	FG	118.4	23.6	97	95	Pass	121.6	M1
64	"	HECO Pad Waipio Mauka side of CMU Wall West End	FG	117.3	23.3	96	95	Pass	121.6	M1

* Gaps in test numbers indicate tests that were performed in areas other than the HECO pads.



November 18, 2015

**VIA U.S. MAIL,
FACSIMILE AND EMAIL**

Waipio PV, LLC
c/o Mr. Wren Wescoatt
SunEdison
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813
Email: WWescoatt@sunedison.com

SunEdison, Inc.
179 Lincoln Street, Suite 500
Boston, MA 02111
Facsimile: (808) 441-4604

Dear Mr. Wescoatt:

Subject: NOTICE OF FAILURE TO MEET SELLER'S CONDITION PRECEDENT:
Power Purchase Agreement For Renewable As-Available Energy Between Hawaiian
Electric Company, Inc. and Waipio PV, LLC (formerly Waiwa PV, LLC) dated December 3,
2014

Reference is made to that certain Power Purchase Agreement For Renewable As-Available Energy Between Hawaiian Electric Company, Inc. ("Company") and Waipio PV, LLC ("Seller") dated December 3, 2014 ("PPA"). Please be advised that Seller has failed to achieve certain Seller's Conditions Precedent set forth in Attachment K-1 of the PPA (Company Milestones and Seller's Conditions Precedent) and, therefore, Company is requesting an extension of certain Company Milestones as permitted by Section 13.8 (Company Milestones) of the PPA.

Pursuant to Section 13.8 (Company Milestones) of the PPA, Company shall achieve each of the Company Milestones by the date set forth in Attachment K-1 of the PPA, provided, however, that in the event Seller does not complete Seller's condition Precedent on or before the applicable date set forth in Attachment K-1, Company shall be entitled to an extension for a period of time reasonably necessary to meet any Company Milestone Date adversely affected by Seller's failure, which extension shall be no shorter than a day-for-day extension. See PPA Section 13.8 (Company Milestones)

In turn, pursuant to Attachment K-1, Seller's Conditions Precedent includes the following, in relevant part:

Hawaiian Electric

PO BOX 2750 / HONOLULU HI 96845-0000

November 18, 2015
Page 2

Seller's Conditions Precedent Date	Description of Each of Seller's Conditions Precedent
October 15, 2015 ¹	Seller shall complete preparation of the site(s) of the Company-Owned Interconnection Facilities for start of construction by Company

("Subject Condition Precedent").

Seller commissioned [REDACTED] to prepare a Preliminary Subsurface Investigative Report dated February 13, 2015 that was prepared for the entire Waiawa Solar Project site, e.g. approximately 280 acres. The Preliminary Report expressly states:

"This preliminary investigation report provides preliminary information and general geotechnical engineering for the development of the site, based on the limited soil information obtained during the preliminary investigation. It should be sufficient for preliminary planning and cost-estimating purposes, but is not sufficient for the final design and construction of the facility. A comprehensive subsurface investigation of the site, with additional borings and/or test pits, should be undertaken once the site development plans have been better determined."

Further, Appendix C (Limitations) of the Preliminary Report provides that the preliminary analysis, conclusions, and recommendation submitted in the Preliminary Report" are presented for preliminary design and cost-estimating purposes" and that "A full-scale project-specific subsurface investigation, with additional borings and/or test pits should be completed for the final design and construction of the project."

On March 11, 2015, Hawaiian Electric provided Seller with the Subsurface Investigative Report dated March 11, 2015 that was prepared by [REDACTED] at the request of Hawaiian Electric specifically for the Akau Substation (Koa Ridge) site ("Final Geotechnical Report"). The Final Geotechnical Reports were subsequently uploaded by Seller to its FTP site for the project.

That said, the Final Geotechnical Report set forth specific recommendations for site preparation, grading and the design and construction of the Akau substation's structures and foundations. The recommendations of the report also recommended adequate observation and testing of the geotechnical engineering aspects of the construction to confirm consistency

¹ The parties subsequently extended the Subject Condition Precedent to October 31, 2015.

November 18, 2015
Page 3

with the Final Geotechnical Report. It must be noted that Hawaiian Electric designed its Company-Owned Interconnection Facilities based on the Final Geotechnical Report.

On October 31, 2015, Seller asserted that it completed preparation of the subject site so as to allow Hawaiian Electric to commence construction of the Company-Owned Interconnection Facilities at the Akau substation site. Thereafter, Hawaiian Electric requested that Seller confirm that Seller completed preparation of the site in accordance with a Final Geotechnical Report. However, on November 17, 2015, Seller informed Hawaiian Electric for the first time that the subject grading was performed based on the Preliminary Report rather than a Final Geotechnical Report.

Please be advised that based on the foregoing, Seller has failed to achieve the Subject Condition Precedent. Specifically, Seller's preparation (i.e. grading) of the subject site based on the Preliminary Report is not appropriate or acceptable as such report expressly states that it is not sufficient for the final design and construction of the Company-Owned Interconnection Facilities. Further, since the grading has already been completed, there does not appear to be a readily available means to confirm that the grading was conducted consistent with the requirements of the Final Geotechnical Report. Hawaiian Electric is also concerned that Seller will be unable to close the subject grading permit based on Seller's failure to grade the site based on the recommendations stated in the Final Geotechnical Report.

Therefore, Company hereby notifies Seller that it is stopping all work on the Company-Owned Interconnection Facilities until this matter can be resolved. Company is entitled to an extension for a period of time reasonably necessary to meet any Company Milestone Date adversely affected by Seller's failure, which extension shall be no shorter than a day-for-day extension. However, please be advised that this delay may also impact the availability of certain Hawaiian Electric's contractors that are scheduled to perform work on the Company-Owned Interconnection Facilities, as well as transmission-line holdoffs that have been scheduled to interconnect the project, which may, in turn, further delay Hawaiian Electric's ability to complete such work. Please also be advised that any costs associated with the delay of work will be incurred to the subject project, which is in addition to the interconnection cost.

Hawaiian Electric would like to promptly resolve this matter. Therefore, Hawaiian Electric requests a response from Seller by Friday, November 20, 2015.

Thank you for your time and immediate attention to this matter.

November 18, 2015
Page 4

Sincerely,

A handwritten signature in black ink, appearing to read "Debbie Nuesca", written over a horizontal line.

Debbie Nuesca



November 18, 2015

**VIA U.S. MAIL,
FACSIMILE AND EMAIL**

Lanikuhana Solar, LLC
c/o Mr. Wren Wescoatt
SunEdison
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813
Email: WWescoatt@sunedison.com

SunEdison, Inc.
179 Lincoln Street, Suite 500
Boston, MA 02111
Facsimile: (808) 441-4604

Dear Mr. Wescoatt:

Subject: NOTICE OF FAILURE TO MEET SELLER'S CONDITION PRECEDENT:
Power Purchase Agreement For Renewable As-Available Energy Between
Hawaiian Electric Company, Inc. and Lanikuhana Solar, LLC, dated December 3,
2014

Reference is made to that certain Power Purchase Agreement For Renewable As-Available Energy Between Hawaiian Electric Company, Inc. ("Company") and Lanikuhana Solar, LLC ("Seller") dated December 3, 2014 ("PPA"). Please be advised that Seller has failed to achieve certain Seller's Conditions Precedent set forth in Attachment K-1 of the PPA (Company Milestones and Seller's Conditions Precedent) and, therefore, Company is requesting an extension of certain Company Milestones as permitted by Section 13.8 (Company Milestones) of the PPA.

Pursuant to Section 13.8 (Company Milestones) of the PPA, Company shall achieve each of the Company Milestones by the date set forth in Attachment K-1 of the PPA, provided, however, that in the event Seller does not complete Seller's condition Precedent on or before the applicable date set forth in Attachment K-1, Company shall be entitled to an extension for a period of time reasonably necessary to meet any Company Milestone Date adversely affected by Seller's failure, which extension shall be no shorter than a day-for-day extension. See PPA Section 13.8 (Company Milestones)

In turn, pursuant to Attachment K-1, Seller's Conditions Precedent includes the following, in relevant part:

November 18, 2015
Page 2

Seller's Conditions Precedent Date	Description of Each of Seller's Conditions Precedent
October 15, 2015 ^[1]	Seller shall complete preparation of the site(s) of the Company-Owned Interconnection Facilities for start of construction by Company

("Subject Condition Precedent").

Seller commissioned [REDACTED] to prepare a Preliminary Subsurface Investigative Report dated February 13, 2015 that was prepared for the entire Waiawa Solar Project site, e.g. approximately 280 acres. The Preliminary Report expressly states:

"This preliminary investigation report provides preliminary information and general geotechnical engineering for the development of the site, based on the limited soil information obtained during the preliminary investigation. It should be sufficient for preliminary planning and cost-estimating purposes, but is not sufficient for the final design and construction of the facility. A comprehensive subsurface investigation of the site, with additional borings and/or test pits, should be undertaken once the site development plans have been better determined."

Further, Appendix C (Limitations) of the Preliminary Report provides that the preliminary analysis, conclusions, and recommendation submitted in the Preliminary Report "are presented for preliminary design and cost-estimating purposes" and that "A full-scale project-specific subsurface investigation, with additional borings and/or test pits should be completed for the final design and construction of the project."

On March 10, 2015, Hawaiian Electric provided Seller with the Subsurface Investigative Report dated March 10, 2015 that was prepared by [REDACTED] at the request of Hawaiian Electric specifically for the Hema Substation (Mililani Ag Park) site ("Final Geotechnical Report"). The Final Geotechnical Reports were subsequently uploaded by Seller to its FTP site for the project.

That said, the Final Geotechnical Report set forth specific recommendations for site preparation, grading and the design and construction of the Hema substation's structures and foundations. The recommendations of the report also recommended adequate observation and testing of the geotechnical engineering aspects of the construction to confirm consistency

¹ The parties subsequently extended the Subject Condition Precedent to October 31, 2015.

November 18, 2015
Page 3

with the Final Geotechnical Report. It must be noted that Hawaiian Electric designed its Company-Owned Interconnection Facilities based on the Final Geotechnical Report.

On October 31, 2015, Seller asserted that it completed preparation of the subject site so as to allow Hawaiian Electric to commence construction of the Company-Owned Interconnection Facilities at the Hema substation site. Thereafter, Hawaiian Electric requested that Seller confirm that Seller completed preparation of the site in accordance with a Final Geotechnical Report. However, on November 17, 2015, Seller informed Hawaiian Electric for the first time that the subject grading was performed based on a Preliminary Report rather than the Final Geotechnical Report.

Please be advised that based on the foregoing, Seller has failed to achieve the Subject Condition Precedent. Specifically, Seller's preparation (i.e. grading) of the subject site based on the Preliminary Report is not appropriate or acceptable as such report expressly states that it is not sufficient for the final design and construction of the Company-Owned Interconnection Facilities. Further, since the grading has already been completed, there does not appear to be a readily available means to confirm that the grading was conducted consistent with the requirements of the Final Geotechnical Report. Hawaiian Electric is also concerned that Seller will be unable to close the subject grading permit based on Seller's failure to grade the site based on the recommendations stated in the Final Geotechnical Report.

Therefore, Company hereby notifies Seller that it is stopping all work on the Company-Owned Interconnection Facilities until this matter can be resolved. Company is entitled to an extension for a period of time reasonably necessary to meet any Company Milestone Date adversely affected by Seller's failure, which extension shall be no shorter than a day-for-day extension. However, please be advised that this delay may also impact the availability of certain Hawaiian Electric's contractors that are scheduled to perform work on the Company-Owned Interconnection Facilities, as well as transmission-line holdoffs that have been scheduled to interconnect the project, which may, in turn, further delay Hawaiian Electric's ability to complete such work. Please also be advised that any costs associated with the delay of work will be incurred to the subject project, which is in addition to the interconnection cost.

Hawaiian Electric would like to promptly resolve this matter. Therefore, Hawaiian Electric requests a response from Seller by Friday, November 20, 2015.

Thank you for your time and immediate attention to this matter.

November 18, 2015
Page 4

Sincerely,


Debbie Nuesca



November 22, 2015

**VIA U.S. MAIL,
FACSIMILE AND EMAIL**

Waipio PV, LLC
c/o Mr. Wren Wescoatt
SunEdison
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813
Email: WWescoatt@sunedison.com

Ms. Jennifer Lootens
1200 Folsom Street, Suite 100
San Francisco, CA 94103

SunEdison, Inc.
179 Lincoln Street, Suite 500
Boston, MA 02111
Facsimile: (808) 441-4604

Dear Mr. Wescoatt and Ms. Lootens:

Subject: **NOTICE OF REQUIREMENTS:**
Power Purchase Agreement For Renewable As-Available Energy Between
Hawaiian Electric Company, Inc. and Waipio PV, LLC (formerly Waiawa PV, LLC)
dated December 3, 2014

Reference is made to that certain Power Purchase Agreement For Renewable As-Available Energy Between Hawaiian Electric Company, Inc. ("Company") and Waipio PV, LLC ("Seller") dated December 3, 2014 ("PPA").¹ As you are aware, the balance of the Company-Owned Interconnection Facilities Prepayment Amount in the amount of \$8,265,017.00 is currently due on November 30, 2015 ("Balance Due") pursuant to Section 3(b)(iii) (Balance of Company-Owned Interconnection Facilities Prepayment) of Attachment G (Company-Owned Interconnection Facilities) to the PPA and Company's request to Seller dated November 5, 2015. Seller requested to split the Balance Due into two payments of \$5,646,893.00 and \$2,618,124.00 which would be due on November 30, 2015 and no sooner than March 1, 2016 respectively. Please be advised that after careful consideration and for the reasons more fully stated herein, Company does not agree to Seller's request.

As you are aware, Company notified Seller on November 18, 2015 ("November 18 Letter") that Seller failed to achieve certain Seller's Conditions Precedent set forth in Attachment K-1 of the PPA (Company Milestones and Seller's Conditions Precedent). The November 18 Letter also notified Seller that Company was stopping all work on the Company-

¹ Defined terms used but not otherwise defined herein shall have the meaning provided in the PPA.

November 22, 2015
Page 2

Owned Interconnection Facilities until this matter can be resolved and that Company is entitled to an extension for a period of time reasonably necessary to meet any Company Milestone Date adversely affected by Seller's failure, which extension shall be no shorter than a day-for-day extension as permitted by Section 13.8 (Company Milestones) of the PPA. Company further advised Seller that this delay may also impact the availability of certain of Hawaiian Electric's contractors and heavy equipment that are scheduled to perform work on the Company-Owned Interconnection Facilities, as well as transmission-line holdoffs that have been scheduled to interconnect the project, which may, in turn, further delay Hawaiian Electric's ability to complete such work and lead to additional costs which would be the responsibility of Seller.

On November 20, 2015, Company met with Seller in order to resolve the issues raised in the November 18 Letter. However, Seller has not satisfied Hawaiian Electric that Seller's Condition Precedent to prepare the site for start of construction of the Company-Owned Interconnection Facilities has been completed. Given the delay and potential cost increases associated with such failure, Company does not believe that it is prudent or in our customers' best interest to deviate from the current terms of the PPA and split the Balance Due for the Company-Owned Interconnection Facilities Prepayment Amount.

That said, in order to mitigate any potential delays and costs with regards to the above referenced failure on the part of Seller, Company is continuing with procuring project equipment and materials, and with construction work at Company's remote substation, as such work does not rely on Seller meeting its Seller Condition Precedent to prepare the Company-Owned Interconnection site for construction. In addition, Company is willing to commence drilling and construction of the transmission line pole foundations for the interconnection to the Kahe-Wahiawa 138kV line on November 30, 2015, using the large drill rig set proposed by Company's contractor, Black & Veatch ("Drilling Work"). The Drilling Work is limited in scope and is not affected by the Seller's failure to satisfy the subject Seller's Conditions Precedent as such work can be completed and is not subject to the grading concerns associated with the switching station pad raised in the November 18 Letter. Due to the demand for the drilling equipment by third-parties, if the Drilling Work is not completed while the Company has access to the drilling equipment, it will likely take months to reschedule the Drilling Work. Please be advised that if Company proceeds with the Drilling Work, it will be at the sole expense and risk of Developer, as Company will not proceed with the remaining work required to build the Company-Owned Interconnection Facilities until the issues addressed in the November 18 Letter have been addressed to Company's satisfaction. Further, Seller must work with Company and its contractor to expedite transport of the drill rig to the site.

If Seller would like Company to move forward with the Drilling Work, please notify Company, in writing, no later than November 23, 2015. If Seller does not notify Company by

November 22, 2015

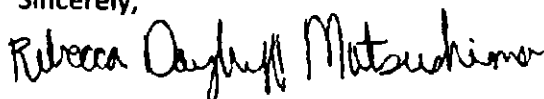
Page 3

such date, Company cannot guarantee that the drilling equipment will be available for such work.

Seller's decision to move forward with the Drilling Work does not change Company's position regarding the failures addressed in the November 18 Letter and the relief required by Company in the November 18 Letter.

Thank you for your time and immediate attention to this matter.

Sincerely,



Rebecca Dayhuff Matsushima
Senior Associate General Counsel

cc: Andrea Wang Lucan
Shelee M. T. Kimura
Colton K. Ching
Rodney Chong
Dmitri Jarocki
Kathy Yonamine
Ken Aramaki
Debbie Nuesca
Rees Yorimoto



November 22, 2015

**VIA U.S. MAIL,
FACSIMILE AND EMAIL**

Lanikuhana Solar, LLC
c/o Mr. Wren Wescoatt
SunEdison
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813
Email: WWescoatt@sunedison.com

Ms. Jennifer Lootens
1200 Folsom Street, Suite 100
San Francisco, CA 94103
Email: JLootens@sunedison.com

SunEdison, Inc.
179 Lincoln Street, Suite 500
Boston, MA 02111
Facsimile: (808) 441-4604

Dear Mr. Wescoatt and Ms. Lootens:

Subject: **NOTICE OF REQUIREMENTS:**
Power Purchase Agreement For Renewable As-Available Energy Between
Hawaiian Electric Company, Inc. and Lanikuhana Solar, LLC dated December 3,
2014

Reference is made to that certain Power Purchase Agreement For Renewable As-Available Energy Between Hawaiian Electric Company, Inc. ("Company") and Lanikuhana Solar, LLC ("Seller") dated December 3, 2014 ("PPA").¹ As you are aware, the balance of the Company-Owned Interconnection Facilities Prepayment Amount in the amount of \$8,375,323.00 is currently due on November 30, 2015 ("Balance Due") pursuant to Section 3(b)(iii) (Balance of Company-Owned Interconnection Facilities Prepayment) of Attachment G (Company-Owned Interconnection Facilities) to the PPA and Company's request to Seller dated November 5, 2015. Seller requested to split the Balance Due into two payments of \$5,757,198.00 and \$2,618,124.50 which would be due on November 30, 2015 and no sooner than March 1, 2016 respectively. Please be advised that after careful consideration and for the reasons more fully stated herein, Company does not agree to Seller's request.

As you are aware, Company notified Seller on November 18, 2015 ("November 18 Letter") that Seller failed to achieve certain Seller's Conditions Precedent set forth in Attachment K-1 of the PPA (Company Milestones and Seller's Conditions Precedent). The November 18 Letter also notified Seller that Company was stopping all work on the Company-

¹ Defined terms used but not otherwise defined herein shall have the meaning provided in the PPA.

November 22, 2015

Page 2

Owned Interconnection Facilities until this matter can be resolved and that Company is entitled to an extension for a period of time reasonably necessary to meet any Company Milestone Date adversely affected by Seller's failure, which extension shall be no shorter than a day-for-day extension as permitted by Section 13.8 (Company Milestones) of the PPA. Company further advised Seller that this delay may also impact the availability of certain of Hawaiian Electric's contractors and heavy equipment that are scheduled to perform work on the Company-Owned Interconnection Facilities, as well as transmission-line holdoffs that have been scheduled to interconnect the project, which may, in turn, further delay Hawaiian Electric's ability to complete such work and lead to additional costs which would be the responsibility of Seller.

On November 20, 2015, Company met with Seller in order to resolve the issues raised in the November 18 Letter. However, Seller has not satisfied Hawaiian Electric that Seller's Condition Precedent to prepare the site for start of construction of the Company-Owned Interconnection Facilities has been completed. Given the delay and potential cost increases associated with such failure, Company does not believe that it is prudent or in our customers' best interest to deviate from the current terms of the PPA and split the Balance Due for the Company-Owned Interconnection Facilities Prepayment Amount.

That said, in order to mitigate any potential delays and costs with regards to the above referenced failure on the part of Seller, Company is continuing with procuring project equipment and materials, and with construction work at Company's remote substation, as such work does not rely on Seller meeting its Seller Condition Precedent to prepare the Company-Owned Interconnection site for construction. In addition, Company is willing to commence drilling and construction of the transmission line pole foundations for the interconnection to the Kahe-Wahiawa 138kV line on November 30, 2015, using the large drill rig set proposed by Company's contractor, Black & Veatch ("Drilling Work"). The Drilling Work is limited in scope and is not affected by the Seller's failure to satisfy the subject Seller's Conditions Precedent as such work can be completed and is not subject to the grading concerns associated with the switching station pad raised in the November 18 Letter. Due to the demand for the drilling equipment by third-parties, if the Drilling Work is not completed while the Company has access to the drilling equipment, it will likely take months to reschedule the Drilling Work. Please be advised that if Company proceeds with the Drilling Work, it will be at the sole expense and risk of Developer, as Company will not proceed with the remaining work required to build the Company-Owned Interconnection Facilities until the issues addressed in the November 18 Letter have been addressed to Company's satisfaction. Further, Seller must work with Company and its contractor to expedite transport of the drill rig to the site.

If Seller would like Company to move forward with the Drilling Work, please notify Company, in writing, no later than November 23, 2015. If Seller does not notify Company by

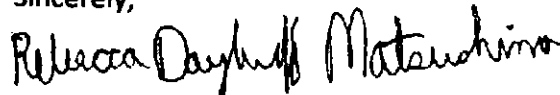
November 22, 2015
Page 3

such date, Company cannot guarantee that the drilling equipment will be available for such work.

Seller's decision to move forward with the Drilling Work does not change Company's position regarding the failures addressed in the November 18 Letter and the relief required by Company in the November 18 Letter.

Thank you for your time and immediate attention to this matter.

Sincerely,



Rebecca Dayhuff Matsushima
Senior Associate General Counsel

cc: Andrea Wang Lucan
Shelee M. T. Kimura
Colton K. Ching
Rodney Chong
Dmitri Jarocki
Kathy Yonamine
Ken Aramaki
Debbie Nuesca
Rees Yorimoto



Waipio PV, LLC
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, Hawaii 96813

November 23, 2015

Hawaiian Electric Company, Inc.
P.O. Box 2750
Honolulu, Hawaii 96840
Attn: Manager, Renewable Acquisition

Hawaiian Electric Company, Inc.
P.O. Box 2750
Honolulu, Hawaii 96840
Attn: Legal Department

Hawaiian Electric Company, Inc.
Attn: Manager Renewable Acquisition
(808) 203-1470

Hawaiian Electric Company, Inc.
Legal Department
(808) 543-7302

VIA U.S. MAIL, FACSIMILE AND EMAIL

Subject: Response to Notice of Requirements with respect to that certain Power Purchase Agreement For Renewable As-Available Energy (the "PPA"), dated as of December 3, 2014, by and between Hawaiian Electric Company, Inc. (the "Company") and Waipio PV, LLC ("Seller")

Ladies and Gentlemen:

All defined terms used but not otherwise defined herein shall have the meaning given to such terms in the PPA.

Seller is in receipt of the Company's Notice of Requirements, dated November 22, 2015 (the "Notice"), and requests that the Company move forward with the Drilling Work (as such term is defined in the Notice). Seller notes that it is actively working with the Company on a timely solution to complete the open condition precedent to the Company's satisfaction with minimal impact to the project schedule.

Seller acknowledges the Company's denial of Seller's request to pay the balance of the Company-Owned Interconnection Facilities Prepayment Amount in two separate payments, and agrees to make a single payment of such amount; however, Seller requests that the Company

allow Seller to make such payment at the closing of financing for the Facility, which shall be on or before December 18, 2015.

[Signature page follows.]

Hawaiian Electric Company, Inc.
November 23, 2015

EXHIBIT 21
PAGE 3 OF 3

Yours very truly,

Waipio PV, LLC
By: Waipio PV Holdings, LLC

By: 

Jennifer Lootens
Assistant Secretary



Lanikuhana Solar, LLC
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, Hawaii 96813

November 23, 2015

Hawaiian Electric Company, Inc.
P.O. Box 2750
Honolulu, Hawaii 96840
Attn: Manager, Renewable Acquisition

Hawaiian Electric Company, Inc.
P.O. Box 2750
Honolulu, Hawaii 96840
Attn: Legal Department

Hawaiian Electric Company, Inc.
Attn: Manager Renewable Acquisition
(808) 203-1470

Hawaiian Electric Company, Inc.
Legal Department
(808) 543-7302

VIA U.S. MAIL, FACSIMILE AND EMAIL

Subject: Response to Notice of Requirements with respect to that certain Power Purchase Agreement For Renewable As-Available Energy (the "PPA"), dated as of December 3, 2014, by and between Hawaiian Electric Company, Inc. (the "Company") and Lanikuhana Solar, LLC ("Seller")

Ladies and Gentlemen:

All defined terms used but not otherwise defined herein shall have the meaning given to such terms in the PPA.

Seller is in receipt of the Company's Notice of Requirements, dated November 22, 2015 (the "Notice"), and requests that the Company move forward with the Drilling Work (as such term is defined in the Notice). Seller notes that it is actively working with the Company on a timely solution to complete the open condition precedent to the Company's satisfaction with minimal impact to the project schedule.

Seller acknowledges the Company's denial of Seller's request to pay the balance of the Company-Owned Interconnection Facilities Prepayment Amount in two separate payments, and agrees to make a single payment of such amount; however, Seller requests that the Company

Hawaiian Electric Company, Inc.
November 23, 2015

EXHIBIT 22
PAGE 2 OF 3

allow Seller to make such payment at the closing of financing for the Facility, which shall be on or before December 18, 2015.

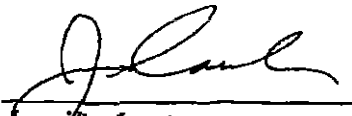
[Signature page follows.]

Hawaiian Electric Company, Inc.
November 23, 2015

EXHIBIT 22
PAGE 3 OF 3

Yours very truly,

Lanikuhana Solar, LLC
By: Mililani South PV, LLC

By: 
Jennifer Lootens
Assistant Secretary



November 25, 2015

Via Certified First Class Mail

Mr. Wren Wescoatt
Waipio PV, LLC
SunEdison
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813

**RE: Waipio PV, LLC (formerly Waiawa PV, LLC) – Balance of Company-Owned
Interconnection Facilities Prepayment – Extending payment due date to November 30,
2015**

Dear Mr. Wescoatt:

This letter is in follow-up to the letter sent to Waipio PV, LLC ("Waipio PV") by Hawaiian Electric Company, Inc. ("Hawaiian Electric") on November 5, 2015 requesting for payment the balance of the Company-Owned Interconnection Facilities prepayment amount of \$8,265,017.00 ("Payment"). Hawaiian Electric hereby agrees to extend the date for the Payment to December 18, 2015 as requested by Waipio PV due to construction financing purposes. However, as a condition to such extension, Hawaiian Electric is including the 10 day grace period for payment set forth in Section 15.2 of the Power Purchase Agreement for As-Available Energy between Hawaiian Electric and Waipio PV dated December 3, 2014 (the "PPA") in such extension. Therefore, failure by Waipio PV to make such payment on December 18, 2015 shall constitute an immediate Event of Default under the PPA.

Any further delay in making Payment may result in a delay to the Company-Owned Interconnection Facilities work, which may extend the Company Milestones and place the project schedule at risk.

Please feel free to contact me at (808) 543-7136 should you have any questions.

Sincerely,

Debbie Nuesca
Project Manager

cc: Reese Yorimoto – Hawaiian Electric
Dmitri Jarocki – Hawaiian Electric
Rebecca Dayhuff Matsushima, Esq. – Hawaiian Electric
Ken Aramaki – Hawaiian Electric



November 25, 2015

Via Certified First Class Mail

Mr. Wren Wescoatt
Lanikuhana Solar, LLC
SunEdison
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813

**RE: Lanikuhana Solar (aka Mililani Solar II) – Balance of Company-Owned Interconnection
Facilities Prepayment – Extending payment date to December 18, 2015**

Dear Mr. Wescoatt:

This letter is in follow-up to the letter sent to Lanikuhana Solar, LLC ("Lanikuhana") by Hawaiian Electric Company, Inc. ("Hawaiian Electric") on November 5, 2015 requesting for payment the balance of the Company-Owned Interconnection Facilities prepayment amount of \$8,375,323.00 ("Payment"). Hawaiian Electric hereby agrees to extend the date for the Payment to December 18, 2015 as requested by Lanikuhana due to construction financing purposes. However, as a condition to such extension, Hawaiian Electric is including the 10 day grace period for payment set forth in Section 15.2 of the Power Purchase Agreement for As-Available Energy between Hawaiian Electric and Lanikuhana dated December 3, 2014 (the "PPA") in such extension. Therefore, failure by Lanikuhana to make such payment on December 18, 2015 shall constitute an immediate Event of Default under the PPA.

Any further delay in making Payment may result in a delay to the Company-Owned Interconnection Facilities work, which may extend the Company Milestones and place the project schedule at risk.

Please feel free to contact me at (808) 543-7136 should you have any questions.

Sincerely,

Debbie Nuesca
Project Manager

cc: Reese Yorimoto – Hawaiian Electric
Dmitri Jarocki – Hawaiian Electric
Rebecca Dayhuff Matsushima, Esq. – Hawaiian Electric
Ken Aramaki – Hawaiian Electric

December 10, 2015

**VIA U.S. MAIL,
FACSIMILE AND EMAIL**

Waipio PV, LLC
c/o Mr. Wren Wescoatt
SunEdison
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813
Email: WWescoatt@sunedison.com

Ms. Jennifer Lootens
1200 Folsom Street, Suite 100
San Francisco, CA 94103

SunEdison, Inc.
179 Lincoln Street, Suite 500
Boston, MA 02111
Facsimile: (808) 441-4604

**RE: Hawaiian Electric Comments Re the Earthwork Report after Grading for HECO Pad,
dated Nov. 22, 2015 – Akau Substation Pad (Waipio PV, LLC)**

Dear Mr. Wescoatt and Ms. Lootens:

Reference is made to that certain Power Purchase Agreement For Renewable As-Available Energy Between Hawaiian Electric Company, Inc. ("Hawaiian Electric" or "Company") and Waipio PV, LLC, formerly Waiawa PV, LLC, ("Waipio PV" or "Seller") dated December 3, 2014 ("PPA"). This letter represents Hawaiian Electric's comments on the Earthwork Report after Grading for HECO Pad, by [REDACTED] [REDACTED] dated November 22, 2015 ("Final Grading Report") for the Akau Substation which was provided to Hawaiian Electric via email from SunEdison, on behalf of Waipio PV, on November 24, 2015.

The Final Grading Report details the grading work and the observation and testing of such work by [REDACTED] for the Akau Substation site, which was required to be completed by Waipio PV pursuant to the terms of the PPA (the "Grading Work"). Based on the information provided to Hawaiian Electric between November 15, 2015 and November 24, 2015, Hawaiian Electric has significant concerns with the Grading Work performed on the Akau Substation site. These concerns could result in negative impacts and/or delays to the project which is an important resource to deliver reliable and renewable energy to Hawaiian Electric's customers and to meet our State's renewable energy goals. These concerns also represent a significant liability to Hawaiian Electric and all involved parties as a result of the hand-off of construction activities between SunEdison, Hawaiian Electric, and Hawaiian Electric's EPC contractor, [REDACTED]. Additional details of these concerns are provided in Section I below (and were also set forth in letters sent to Waipio PV by Hawaiian Electric on November 18, 2015 and November 22, 2015).

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In order to minimize risk exposure to all parties, including Hawaiian Electric and Waipio PV, that may arise due to the Grading Work and the Final Grading Report, Hawaiian Electric proposes, in Section II below, that the Grading Work be excavated and re-done prior to moving forward with construction of the Akau Substation. While other options were considered as discussed below, redoing the Grading Work eliminates uncertainty and, if commenced as soon as possible, can be completed with less impact to the project's construction schedule.

I. Hawaiian Electric's Concerns with Grading Work and Final Grading Report

Hawaiian Electric and its contractors' overall concern is its inability to confirm whether the site Grading Work was completed in conformance to [REDACTED] Subsurface Investigative Report dated March 11, 2015 prepared for the Akau Substation (Koa Ridge) site ("Final Geotechnical Report"), which was provided to Waipio PV by Hawaiian Electric on March 26, 2015. Hawaiian Electric's consultant has finalized its foundation design in accordance with the recommendations in the Final Geotechnical Report.

On November 15, 2015, Waipio PV provided a letter titled "Earthwork Report after Grading for HECO Pads (2)..." dated November 12, 2015, which certified that "... that the grading for the HECO Switchyard pads was completed in conformance with Chapter 14: Articles 13, 14, 15 & 16 as related to grading, soil erosion and sediment control of the Revised Ordinances of Honolulu 1990, as amended and the approved project plans and specifications" (the "Original Grading Report"). On November 17, 2015, Hawaiian Electric raised concerns with the Original Grading Report and requested Waipio PV to provide the plans, specifications, reports, and other documentation to which the grading construction was completed. On November 17, 2015, Waipio PV informed Hawaiian Electric for the first time that the Grading Work was performed based on a Preliminary Subsurface Investigative Report dated February 13, 2015 prepared by [REDACTED], on behalf of Waipio PV, that encompassed the entire Waipio PV project site ("Preliminary Report").

On November 18, 2015, Waipio PV provided a revised geotechnical conformance letter titled "Earthwork Report after Grading for HECO Pad: Waipio Solar Farm," which certified that "grading for the HECO Switchyard pad was completed in conformance with Chapter 14: Articles 13, 14, 15 & 16 as related to grading, soil erosion and sediment control of the Revised Ordinances of Honolulu 1990, as amended, the approved project plans and specifications and the [Final Geotechnical Report]" (the "Revised Grading Report"). Hawaiian Electric and its contractors also raised concerns with the Revised Grading Report. In response, Waipio PV provided the Final Grading Report, as discussed above. The Original Grading Report, the Revised Grading Report and the Final Grading Report are collectively referred to herein as the "Grading Reports." Based on the Grading Reports provided to Hawaiian Electric, Hawaiian Electric and its contractors are not confident that the site was constructed in conformance with the Final Geotechnical Report as required. Below are details regarding Hawaiian Electric and its contractors' concerns.

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Concerns prior to receiving the Final Grading Report included the following:

1. As previously expressed to Waipio PV, and acknowledged by Waipio PV and its contractors, the graded site was designed, permitted, and constructed based on the Preliminary Report, which contains the entire solar farm, including Hawaiian Electric's Substation. The second paragraph of the Preliminary Report states that "[the Preliminary Report] should be sufficient for preliminary planning and cost-estimating purposes, but is not sufficient for the final design and construction of the facility. A comprehensive subsurface investigation of the site, with additional borings and/or test pits, should be undertaken once the site development plans have been better determined." Due to the preliminary nature of the Preliminary Report, it is unclear whether the closing of the grading permit will be accepted by the City and County of Honolulu.
2. Hawaiian Electric provided the Final Geotechnical Report to Waipio PV on March 26, 2015, which (to Hawaiian Electric's understanding) is prior to Waipio PV's finalization of its grading plan and design.
3. One of the recommendations of the Final Geotechnical Report was to contract [REDACTED] to monitor the Grading Work. This recommendation was to ensure conformance to the recommendations laid out in the Final Geotechnical Report and provide assurances for the foundation design. Since [REDACTED] was not hired to do the monitoring, and [REDACTED] did the monitoring in conformance with the Preliminary Report, there is no assurance of conformance to the Final Geotechnical Report which is a condition of the foundation design.

On November 20, 2015, Hawaiian Electric met with Waipio PV and its contractors to convey its concerns regarding the Revised Grading Report and to stress the importance of the situation. Waipio PV agreed to provide a comprehensive report to Hawaiian Electric to furnish more information relevant to how the Grading Work was performed, with the ultimate goal of proving conformance to the Final Geotechnical Report. Concerns after receiving the Final Grading Report include the following:

1. Inconsistencies in test data provided. Exhibit 1, attached hereto, shows a comparison of the test data provided in the three Grading Reports provided to Hawaiian Electric by Waipio PV. Highlighted cells in Exhibit 1 indicate values that have changed between the three Grading Reports. The major concerns are the changes (highlighted in yellow) in elevations that the tests were taken at, acceptance of results categorized as "fail," and removal of tests from the report (highlighted in red). Hawaiian Electric is concerned that these changes in test elevations between the various Grading Reports was done as a result of questions raised by Hawaiian Electric rather than revised for clarity or accuracy.

Upon submittal of the Original Grading Report, Hawaiian Electric raised questions regarding the lack of measurements taken within the first 12 to 13 feet of fill (out of 15 feet). Subsequent to

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SunEdison, Inc.
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that, Waipio PV provided the Revised Grading Report, which included test elevations (at the same test locations) which spanned the depth of the fill. Hawaiian Electric then questioned how the grading work was performed, since the test numbering in relation to elevations and dates do not correlate with general construction practices. Similarly, Waipio PV's submittal of the Final Grading Report included another set of test results, with different elevations.

Within the Original Grading Report, there were several tests that produced a "fail" test result. It is unclear whether these areas were remediated and retested to attain a pass level.

2. The Final Geotechnical Report stated that the fill or new construction should be scarified to a depth of 8 inches and moisture-conditioned to be within 3 percent of the optimum moisture content. The Grading Report indicates the optimum moisture content for the different types of soil materials. Exhibit 1 shows that many of the samples did not meet the required optimum moisture content. Since some of these soils are slightly expansive and were not installed at the optimum moisture content, there is a possibility that the soil could expand if that layer dries out and becomes wet again. This soil expansion could cause differential movement between the structures.
3. Grading Reports do not indicate in the text or tables the specific depths of the removal of the disturbed soil. There is no documentation of the actual depth of the removal of disturbed surface soil. Accordingly, there is no confirmation that the fill or new construction was installed on undisturbed residual silt and clays as recommended per Final Geotechnical Report.
4. The Final Grading Report states that "it was determined that the work was generally in compliance." This statement implies that not all of the 58 recommendations provided in the Final Geotechnical Report were adhered to. The Final Grading Report did not address what recommendations were not adhered to.

II. Proceeding with Work at Akau Substation Will Require Re-Grading.

Based on Hawaiian Electric and its contractors' concerns of the Grading Work and Final Grading Report, Hawaiian Electric believes the only reasonable option available at this time to facilitate construction of the Akau Substation is to excavate the Grading Work and re-grade the substation site. All costs of such re-grading shall be borne by Waipio PV. Hawaiian Electric considered another option described below, however, because of time constraints, the need for continued negotiation on additional required documents, and no assurance that issues would not arise in the future, Hawaiian Electric came to the conclusion that such option was not viable.

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1. Removal and replacement of entire pad grading

Requirements for successful completion of the excavation and re-grading of the Akau Substation project site (the "Re-grading") include excavating and replacing the entire pad grading for the Akau Substation site and includes Waipio PV re-constructing it in accordance with [REDACTED] Final Geotechnical Report. Hawaiian Electric will also require that it retain [REDACTED] at Waipio PV's expense to monitor the removal and re-construction of the pad (as specified in the Final Geotechnical Report) to reduce the risk of re-work.

Note that although the Re-grading in question is limited to the Akau Substation site, any issues related to the grading beyond the limits of the Akau Substation site are the responsibility of SunEdison. In particular, there is a risk of differential settlement at tie points between HECO's Akau Substation and the SunEdison equipment (e.g. rigid bus interconnection). Furthermore, it is SunEdison's responsibility to ensure that the grading permit for the entire project is satisfied and closed by the City and County of Honolulu.

Finally, any delay to the project construction schedule due to the Re-grading, including potential additional delays due to weather, or delays if equipment needed to complete the Company's work at the Akau Substation site is unavailable at the time that such work can begin upon completion of the Re-grading, shall be solely Waipio PV's responsibility. As noted in Hawaiian Electric's November 18, 2015, letter to Waipio PV, Hawaiian Electric will require an extension of all Company Milestones (as defined in the PPA) commensurate with such delay, which in no event will be shorter than a day-for-day extension.

2. Rejected Option: Additional Soil Investigation/Boring & Indemnification

Hawaiian Electric considered an alternative option which would have required: (a) a soil investigation to be completed by [REDACTED], (b) a warranty to Hawaiian Electric covering the Grading Work for a period of ten (10) years, (c) indemnification of Hawaiian Electric and its contractors and (d) a letter of credit in favor of Hawaiian Electric covering Waipio PV's obligations under this option for the duration of the 10-year warranty period in an amount necessary for a complete re-grading, destruction and re-construction of the Akau Substation.

This option was deemed to be not feasible by Hawaiian Electric due to the additional time constraints inherent in negotiating the various required agreements and then completing testing in a timely manner. Moreover, the results of such testing could conclude that a complete re-grading of the Akau Substation site is still necessary, wasting precious time and jeopardizing the project's ability to obtain the ITC. Finally, if issues are discovered at any time after construction is completed, the costs for repairs and/or other remedial work will necessarily require taking the Akau Substation offline, thus preventing the project from delivering energy to Hawaiian Electric's grid. Any curtailment due to such repair or replacement of the Akau Substation would not be considered Compensable Curtailment (as defined in the PPA) and Waipio PV would not be compensated for such curtailment.

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For all of these reasons, Hawaiian Electric has concluded that the only viable option at this point is to complete a re-grading of the Akau Substation site.

III. Conclusion

Hawaiian Electric is open to discussing the contents of this letter in further detail at SunEdison's request. Resolution of the grading is the critical path of the Company's work for the Akau Substation, which is currently incurring (at minimum) day-for-day delays. Additional delays which are not yet known due to the completion date of full compliance of the Grading Work include, but are not limited to, coordination of 138 kV transmission line hold-offs, and scheduling of critical resources and equipment to complete the Company's work. Hawaiian Electric understands cost and schedule are critical constraints to any project, which is why the alternative option described above was ultimately rejected. Re-grading ultimately has the greatest likelihood of demonstrating the conformance to the Final Geotechnical Report and is recommended by Hawaiian Electric as the only option available that could still permit completion of construction and commercial operations in time to take advantage of the ITC.

Please provide your response to this letter, indicating whether SunEdison is amenable to completing a re-grading of the Akau Substation, no later than close of business on December 11, 2015. Should you have any questions, please let me know.

Sincerely,

Hawaiian Electric Company, Inc.



Debbie Nuesca
Project Manager

Exhibit 1 - Table Compares

Exhibit 1. Table Comparison

[illegible]

December 10, 2015

**VIA U.S. MAIL,
FACSIMILE AND EMAIL**

Lanikuhana Solar, LLC
c/o Mr. Wren Wescoatt
SunEdison
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813
Email: WWescoatt@sunedison.com

Ms. Jennifer Lootens
1200 Folsom Street, Suite 100
San Francisco, CA 94103

SunEdison, Inc.
179 Lincoln Street, Suite 500
Boston, MA 02111
Facsimile: (808) 441-4604

**RE: Hawaiian Electric Comments Re the Earthwork Report after Grading for HECO Pad,
dated Nov. 22, 2015 – Hema Substation Pad (Lanikuhana Solar, LLC)**

Dear Mr. Wescoatt and Ms. Lootens:

Reference is made to that certain Power Purchase Agreement For Renewable As-Available Energy Between Hawaiian Electric Company, Inc. ("Hawaiian Electric" or "Company") and Lanikuhana Solar, LLC, formerly Waiawa PV, LLC, ("Lanikuhana Solar" or "Seller") dated December 3, 2014 ("PPA"). This letter represents Hawaiian Electric's comments on the Earthwork Report after Grading for HECO Pad, by [REDACTED] dated November 22, 2015 ("Final Grading Report") for the Hema Substation which was provided to Hawaiian Electric via email from SunEdison, on behalf of Lanikuhana Solar, on November 24, 2015.

The Final Grading Report details the grading work and the observation and testing of such work by [REDACTED] for the Hema Substation site, which was required to be completed by Lanikuhana Solar pursuant to the terms of the PPA (the "Grading Work"). Based on the information provided to Hawaiian Electric between November 15, 2015 and November 24, 2015, Hawaiian Electric has significant concerns with the Grading Work performed on the Hema Substation site. These concerns could result in negative impacts and/or delays to the project which is an important resource to deliver reliable and renewable energy to Hawaiian Electric's customers and to meet our State's renewable energy goals. These concerns also represent a significant liability to Hawaiian Electric and all involved parties as a result of the hand-off of construction activities between SunEdison, Hawaiian Electric, and Hawaiian Electric's EPC contractor, [REDACTED]. Additional details of these concerns are provided in Section I below (and were also set forth in letters sent to Lanikuhana Solar by Hawaiian Electric on November 18, 2015 and November 22, 2015).

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SunEdison, Inc.
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In order to minimize risk exposure to all parties, including Hawaiian Electric and Lanikuhana Solar, that may arise due to the Grading Work and the Final Grading Report, Hawaiian Electric proposes, in Section II below, that the Grading Work be excavated and re-done prior to moving forward with construction of the Hema Substation. While other options were considered as discussed below, redoing the Grading Work eliminates uncertainty and, if commenced as soon as possible, can be completed with less impact to the project's construction schedule.

I. Hawaiian Electric's Concerns with Grading Work and Final Grading Report

Hawaiian Electric and its contractors' overall concern is its inability to confirm whether the site Grading Work was completed in conformance to [REDACTED] Subsurface Investigative Report dated March 11, 2015 prepared for the Hema Substation (Koa Ridge) site ("Final Geotechnical Report"), which was provided to Lanikuhana Solar by Hawaiian Electric on March 26, 2015. Hawaiian Electric's consultant has finalized its foundation design in accordance with the recommendations in the Final Geotechnical Report.

On November 15, 2015, Lanikuhana Solar provided a letter titled "Earthwork Report after Grading for HECO Pads (2)..." dated November 12, 2015, which certified that "... that the grading for the HECO Switchyard pads was completed in conformance with Chapter 14: Articles 13, 14, 15 & 16 as related to grading, soil erosion and sediment control of the Revised Ordinances of Honolulu 1990, as amended and the approved project plans and specifications" (the "Original Grading Report"). On November 17, 2015, Hawaiian Electric raised concerns with the Original Grading Report and requested Lanikuhana Solar to provide the plans, specifications, reports, and other documentation to which the grading construction was completed. On November 17, 2015, Lanikuhana Solar informed Hawaiian Electric for the first time that the Grading Work was performed based on a Preliminary Subsurface Investigative Report dated February 13, 2015 prepared by [REDACTED], on behalf of Lanikuhana Solar, that encompassed the entire Lanikuhana Solar project site ("Preliminary Report").

On November 18, 2015, Lanikuhana Solar provided a revised geotechnical conformance letter titled "Earthwork Report after Grading for HECO Pad: Waipio Solar Farm", which certified that "grading for the HECO Switchyard pad was completed in conformance with Chapter 14: Articles 13, 14, 15 & 16 as related to grading, soil erosion and sediment control of the Revised Ordinances of Honolulu 1990, as amended, the approved project plans and specifications and the [Final Geotechnical Report]" (the "Revised Grading Report"). Hawaiian Electric and its contractors also raised concerns with the Revised Grading Report. In response, Lanikuhana Solar provided the Final Grading Report, as discussed above. The Original Grading Report, the Revised Grading Report and the Final Grading Report are collectively referred to herein as the "Grading Reports." Based on the Grading Reports provided to Hawaiian Electric, Hawaiian Electric and its contractors are not confident that the site was constructed in conformance with the Final Geotechnical Report as required. Below are details regarding Hawaiian Electric and its contractors' concerns.

Lanikuhana Solar, LLC
SunEdison, Inc.
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Concerns prior to receiving the Final Grading Report included the following:

1. As previously expressed to Lanikuhana, and acknowledged by Lanikuhana, and its contractors, the graded site was designed, permitted, and constructed based on the Preliminary Report, which contains the entire solar farm, including Hawaiian Electric's Substation. Based on discussion with [REDACTED] the second paragraph of the Preliminary Report states that "[the Preliminary Report] should be sufficient for preliminary planning and cost-estimating purposes, but is not sufficient for the final design and construction of the facility. A comprehensive subsurface investigation of the site, with additional borings and/or test pits, should be undertaken once the site development plans have been better determined." Due to the preliminary nature of the Preliminary Report, it is unclear whether the closing of the grading permit will be accepted by the City and County of Honolulu.
2. Hawaiian Electric provided the Final Geotechnical Report to Lanikuhana Solar on March 26, 2015, which (to Hawaiian Electric's understanding) is prior to Lanikuhana Solar's finalization of its grading plan and design.
3. One of the recommendations of the Final Geotechnical Report was to contract [REDACTED] to monitor the Grading Work. This recommendation was to ensure the conformance to the recommendations laid out in the Final Geotechnical Report, and provide assurances for the foundation design. Since [REDACTED] was not hired to do the monitoring, and [REDACTED] did the monitoring in conformance with the Preliminary Report, there is no assurance of conformance to the Final Geotechnical Report which is a condition of the foundation design.

On November 20, 2015, Hawaiian Electric met with Lanikuhana Solar and its contractors to convey its concerns regarding the Revised Grading Report and to stress the importance of the situation. Lanikuhana Solar agreed to provide a comprehensive report to Hawaiian Electric to furnish more information relevant to how the Grading Work was performed, with the ultimate goal of proving conformance to the Final Geotechnical Report. Concerns after receiving the Final Grading Report include the following:

1. Inconsistencies in test data provided. Exhibit 1, attached hereto, shows a comparison of the test data provided in the three Grading Reports provided to Hawaiian Electric by Lanikuhana Solar. Highlighted cells in Exhibit 1 indicate values that have changed between the three Grading Reports. The major concerns are the changes (highlighted in yellow) and removal of tests from the report (highlighted in red). Additional discrepancies noted are the test elevations for some of locations are below the origin grade elevation based on the topographic map, which would indicate that the test was not on the fill material. Hawaiian Electric is concerned that these changes in test elevations between the various Grading Reports was done as a result of questions raised by Hawaiian Electric rather than revised for clarity or accuracy.

Lanikuhana Solar, LLC
SunEdison, Inc.
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2. In the Grading Reports there were several tests that were marked as "Pass" but did not meet the fill compaction recommendations of either the Preliminary or Final Geotechnical Report due to their low moisture contents. It is unclear whether these areas were remediated and retested to attain a pass level.
3. The Final Geotechnical Report stated that the fill or new construction should be scarified to a depth of 8 inches and moisture-conditioned to be within 3 percent of the optimum moisture content. The Grading Report indicates the optimum moisture content for the different types of soil materials. Exhibit 1 shows that many of the samples did not meet the required optimum moisture content. Since some of these soils are slightly expansive and were not installed at the optimum moisture content, there is a possibility that the soil could expand if that layer dries out and becomes wet again. This soil expansion could cause differential movement between the structures.
4. Grading Reports do not indicate in the text or tables the specific depths of the removal of the disturbed soil. There is no documentation of the actual depth of the removal of disturbed surface soil. Accordingly, there is no confirmation that the fill or new construction was installed on undisturbed residual silt and clays as recommended per Final Geotechnical Report.
5. The Final Grading Report states that "it was determined that the work was generally in compliance." This statement implies that not all of the 59 recommendations provided in the Final Geotechnical Report were adhered to. The Final Grading Report did not address what recommendations were not adhered to.

II. Proceeding with Work at Hema Substation Will Require Re-Grading.

Based on Hawaiian Electric and its contractors' concerns of the Grading Work and Final Grading Report, Hawaiian Electric believes the only reasonable option available at this time to facilitate construction of the Hema Substation is to excavate the Grading Work and re-grade the substation site. All costs of such re-grading shall be borne by Lanikuhana Solar. Hawaiian Electric considered another option described below, however, because of time constraints, the need for continued negotiation on additional required documents, and no assurance that issues would not arise in the future, Hawaiian Electric came to the conclusion that such option was not viable.

1. Removal and replacement of entire pad grading

Requirements for successful completion of the excavation and re-grading of the Hema Substation project site (the "Re-grading") include excavating and replacing the entire pad grading for the Hema Substation site and includes Lanikuhana Solar re-constructing it in accordance with [REDACTED] Final Geotechnical Report. Hawaiian Electric will also require that it retain [REDACTED] at Lanikuhana Solar's expense

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to monitor the removal and re-construction of the pad (as specified in the Final Geotechnical Report) to reduce the risk of re-work.

Note that although the Re-grading in question is limited to the Hema Substation site, any issues related to the grading beyond the limits of the Hema Substation site are the responsibility of SunEdison. In particular, there is a risk of differential settlement at tie points between HECO's Hema Substation and the SunEdison equipment (e.g. rigid bus interconnection). Furthermore, it is SunEdison's responsibility to ensure that the grading permit for the entire project is satisfied and closed by the City and County of Honolulu.

Finally, any delay to the project construction schedule due to the Re-grading, including potential additional delays due to weather, or delays if equipment needed to complete the Company's work at the Hema Substation site is unavailable at the time that such work can begin upon completion of the Re-grading, shall be solely Waipio PV's responsibility. As noted in Hawaiian Electric's November 18, 2015, letter to Lanikuhana Solar, Hawaiian Electric will require an extension of all Company Milestones (as defined in the PPA) commensurate with such delay, which in no event will be shorter than a day-for-day extension.

2. Rejected Option: Additional Soil Investigation/Boring & Indemnification

Hawaiian Electric considered an alternative option which would have required: (a) a soil investigation to be completed by [REDACTED], (b) a warranty to Hawaiian Electric covering the Grading Work for a period of ten (10) years, (c) indemnification of Hawaiian Electric and its contractors and (d) a letter of credit in favor of Hawaiian Electric covering Lanikuhana Solar's obligations under this option for the duration of the 10-year warranty period in an amount necessary for a complete re-grading, destruction and re-construction of the Hema Substation.

This option was deemed to be not feasible by Hawaiian Electric due to time constraints in negotiating the various required agreements and then completing testing in a timely manner. Moreover, the results of such testing could conclude that a complete re-grading of the Hema Substation site is still necessary, wasting precious time and jeopardizing the project's ability to obtain the ITC. Finally, if issues are discovered at any time after construction is completed, the costs for repairs and/or other remedial work will necessarily require taking the Hema Substation offline, thus preventing the project from delivering energy to Hawaiian Electric's grid. Any curtailment due to such repair or replacement of the Hema Substation would not be considered Compensable Curtailment (as defined in the PPA) and Lanikuhana Solar would not be compensated for such curtailment.

For all of these reasons, Hawaiian Electric has concluded that the only viable option at this point is to complete a re-grading of the Hema Substation site.

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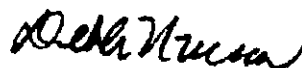
III. Conclusion

Hawaiian Electric is open to discussing the contents of this letter in further detail at SunEdison's request. Resolution of the grading is the critical path of the Company's work for the Hema Substation, which is currently incurring (at minimum) day-for-day delays. Additional delays which are not yet known due to the completion date of full compliance of the Grading Work include, but are not limited to, coordination of 138 kV transmission line hold-offs, and scheduling of critical resources and equipment to complete the Company's work. Hawaiian Electric understands cost and schedule are critical constraints to any project, which is why the alternative option described above was ultimately rejected. Re-grading ultimately has the greatest likelihood of demonstrating the conformance to the Final Geotechnical Report and is recommended by Hawaiian Electric as the only option available that could still permit completion of construction and commercial operations in time to take advantage of the ITC.

Please provide your response to this letter, indicating whether SunEdison is amenable to completing a re-grading of the Hema Substation, no later than close of business on December 11, 2015. Should you have any questions, please let me know.

Sincerely,

Hawaiian Electric Company, Inc.



Debbie Nuesca
Project Manager

Exhibit 1 - Table Compares

Exhibit 1 - Table Compares

Test No.	Date of Test	Test Location	Test Elevations	Dry Unit Weight (pcf)	Moisture Content (%)	Relative Compaction (%)	Compaction Required	Pass or Fail	Proctor Value (pcf)	Proctor ID
1	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
2	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
3	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
4	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
5	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
6	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
7	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
8	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
9	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
10	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
11	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
12	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
13	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
14	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
15	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
16	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
17	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
18	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
19	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
20	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
21	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
22	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
23	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
24	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
25	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
26	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
27	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
28	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
29	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
30	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
31	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
32	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
33	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
34	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
35	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
36	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
37	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
38	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
39	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
40	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
41	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
42	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
43	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
44	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
45	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
46	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
47	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
48	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
49	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
50	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
51	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
52	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
53	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
54	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
55	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
56	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
57	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
58	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
59	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
60	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
61	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
62	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
63	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104
64	10/12/2015	10/12/2015	510	102.1	15.7	98	90	Pass	104	104



December 16, 2015

**VIA U.S. MAIL,
FACSIMILE AND EMAIL**

Waipio PV, LLC
c/o Mr. Wren Wescoatt
SunEdison
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813
Email: WWescoatt@sunedison.com

Ms. Jennifer Lootens
1200 Folsom Street, Suite 100
San Francisco, CA 94103

SunEdison, Inc.
179 Lincoln Street, Suite 500
Boston, MA 02111
Facsimile: (808) 441-4604

**RE: Waipio PV (formerly Walawa PV, LLC) – Balance of Company-Owned
Interconnection Facilities Prepayment**

Dear Mr. Wescoatt and Ms. Lootens:

Reference is made to that certain Power Purchase Agreement For Renewable As-Available Energy Between Hawaiian Electric Company, Inc. ("Hawaiian Electric" or "Company") and Waipio PV, LLC, formerly Waiawa PV, LLC, ("Seller") dated December 3, 2014 ("PPA"). As more fully set forth herein, based on our previous correspondence payment of the balance of the Company-Owned Interconnection Facilities prepayment (the "Payment") by Seller was to be made no later than December 18, 2015.

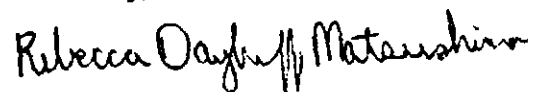
On October 28, 2015, Hawaiian Electric sent a letter to Seller requesting payment of the balance of the Company-Owned Interconnection Facilities prepayment, which letter noted that such payment was due within 15 Days following receipt of such letter pursuant to Section 3(b)(iii) (Balance of Company-Owned Interconnection Facilities Prepayment) of Attachment G (Company-Owned Interconnection Facilities) of the PPA. Per request from the Seller, Hawaiian Electric agreed to extend the date of such payment to November 30, 2015, and confirmed this extension by letter dated November 5, 2015. By letter dated November 25, 2015, Hawaiian Electric agreed to a further extension until December 18, 2015 to make such payment, but such extension was conditioned on the inclusion in the extension period of the 10 Business Day grace period provided for missed payments in Section 15.2(A) of the PPA.

Company has taken a renewed look at our accounting and updated our analysis. As a result of the Company's updated analysis, the Company has determined that based on the project schedule set forth in the PPA and our updated accounting review, the Payment is required prior to January 1, 2016 in order for Company to continue the work without interruption. Accordingly, Company hereby amends its October 28, 2015, November 5, 2015 and November 25, 2015 letters to designate December 31, 2015, as the latest date the Payment may be made as required under Section 3(b)(iii) (Balance of Company-Owned Interconnection Facilities Prepayment) of

Waipio PV, LLC
SunEdison, Inc.
Mr. Wren Wescoatt
Ms. Jennifer Lootens
December 19, 2015
Page 2

Attachment G (Company-Owned Interconnection Facilities) and Section 15.2(A) of the PPA. This date is provided for clarity to Seller (and implies an actual due date of December 16, 2015) as it includes the 10 Business Day cure period provided under Section 15.2(A) of the PPA to make payment in order to avoid an immediate Event of Default.

Sincerely,



for Shelee M. T. Kimura
Vice President, Corporate Planning &
Business Development

cc: Rodney Chong - Hawaiian Electric
Dmitri Jarocki - Hawaiian Electric
Reese Yorimoto - Hawaiian Electric
Ken Aramaki - Hawaiian Electric
Debbie Nuesca - Hawaiian Electric
Rebecca Dayhuff Matsushima - Hawaiian Electric
Kevin Oda - Hawaiian Electric
Andrea Wang Lucan - Counsel for Waipio PV, LLC



December 16, 2015

**VIA U.S. MAIL,
FACSIMILE AND EMAIL**

Lanikuhana Solar, LLC
c/o Mr. Wren Wescoatt
SunEdison
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813
Email: WWescoatt@sunedison.com

Ms. Jennifer Lootens
1200 Folsom Street, Suite 100
San Francisco, CA 94103

SunEdison, Inc.
179 Lincoln Street, Suite 500
Boston, MA 02111
Facsimile: (808) 441-4604

**RE: Lanikuhana Solar, LLC (aka Milliani Solar II) – Balance of Company-Owned
Interconnection Facilities Prepayment**

Dear Mr. Wescoatt and Ms. Lootens:

Reference is made to that certain Power Purchase Agreement For Renewable As-Available Energy Between Hawaiian Electric Company, Inc. ("Hawaiian Electric" or "Company") and Lanikuhana Solar ("Seller") dated December 3, 2014 ("PPA"). As more fully set forth herein, based on our previous correspondence payment of the balance of the Company-Owned Interconnection Facilities prepayment (the "Payment") by Seller was to be made no later than December 18, 2015.

On October 28, 2015, Hawaiian Electric sent a letter to Seller requesting payment of the balance of the Company-Owned Interconnection Facilities prepayment, which letter noted that such payment was due within 15 Days following receipt of such letter pursuant to Section 3(b)(iii) (Balance of Company-Owned Interconnection Facilities Prepayment) of Attachment G (Company-Owned Interconnection Facilities) of the PPA. Per request from the Seller, Hawaiian Electric agreed to extend the date of such payment to November 30, 2015, and confirmed this extension by letter dated November 5, 2015. By letter dated November 25, 2015, Hawaiian Electric agreed to a further extension until December 18, 2015 to make such payment, but such extension was conditioned on the inclusion in the extension period of the 10 Business Day grace period provided for missed payments in Section 15.2(A) of the PPA.

Company has taken a renewed look at our accounting and updated our analysis. As a result of the Company's updated analysis, the Company has determined that based on the project schedule set forth in the PPA and our updated accounting review, the Payment is required prior to January 1, 2016 in order for Company to continue the work without interruption. Accordingly, Company hereby amends its October 28, 2015, November 5, 2015 and November 25, 2015 letters to designate December 31, 2015, as the latest date the Payment may be made as required under Section 3(b)(iii) (Balance of Company-Owned Interconnection Facilities Prepayment) of Attachment G (Company-Owned Interconnection Facilities) and Section 15.2(A) of the PPA. This

Lanikuhana Solar, LLC
SunEdison, Inc.
Mr. Wren Wescoatt
Ms. Jennifer Lootens
December 19, 2015
Page 2

date is provided for clarity to Seller (and implies an actual due date of December 16, 2015) as it includes the 10 Business Day cure period provided under Section 15.2(A) of the PPA to make payment in order to avoid an immediate Event of Default.

Sincerely,

Rebecca Dayhuff Matsushima

for Shelee M. T. Kimura
Vice President, Corporate Planning &
Business Development

cc: Rodney Chong - Hawaiian Electric
Dmitri Jarocki - Hawaiian Electric
Reese Yorimoto - Hawaiian Electric
Ken Aramaki - Hawaiian Electric
Debbie Nuesca - Hawaiian Electric
Rebecca Dayhuff Matsushima - Hawaiian Electric
Kevin Oda - Hawaiian Electric
Andrea Wang Lucan - Counsel for Lanikuhana Solar, LLC



December 23, 2015

**VIA U.S. MAIL,
FACSIMILE AND EMAIL**

Waipio PV, LLC
c/o Mr. Wren Wescoatt
SunEdison
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813
Email: WWescoatt@sunedison.com

Ms. Jennifer Lootens
44 Montgomery Street, Suite 2200
San Francisco, CA 94104

SunEdison, Inc.
179 Lincoln Street, Suite 500
Boston, MA 02111
Facsimile: (808) 441-4604

**Subject: Waipio PV (formerly Waiawa PV, LLC) – Balance of Company-Owned Interconnection
Facilities Prepayment – Wire Instructions**

Dear Mr. Wescoatt and Ms. Lootens:

Reference is made to that certain Power Purchase Agreement For Renewable As-Available Energy Between Hawaiian Electric Company, Inc. ("Hawaiian Electric" or "Company") and Waipio PV, LLC, formerly Waiawa PV, LLC, ("Seller") dated December 3, 2014 ("PPA").

On December 16, 2015, Hawaiian Electric sent a letter to Seller indicating that based on a renewed look at the project accounting and schedule, that the balance of the Company-Owned Interconnection Facilities prepayment would be required prior to January 1, 2016 in order for the Company to continue work without interruption. Accordingly, the December 16, 2015 letter amended the October 28, 2015, November 5, 2015, and November 25, 2015 letters to designate December 31, 2015, as the latest date the Payment may be made as required under Section 3(b)(iii) (Balance of Company-Owned Interconnection Facilities Prepayment) of Attachment G (Company-Owned Interconnection Facilities) and Section 15.2(A) of the PPA. In support of this requirement please send payment before 9:00 am (Hawaii Standard Time) on December 31, 2015 via wire using the following information:

Bank Name: Bank of Hawaii
ABA No. 121301028
Account Name: Hawaiian Electric Customer Service
Account Number: 0084-326690
Reference: Hawaiian Electric Company, Inc., Contact: Melanie Sawai (808) 543-7985

Waipio PV, LLC
SunEdison, Inc.
Mr. Wren Wescoatt
Ms. Jennifer Lootens
December 23, 2015
Page 2

Should you have any questions, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "Debbie Nuesca", with a long horizontal line extending to the right.

Debbie Nuesca
Project Manager
Hawaiian Electric Company, Inc.

cc: Reese Yorimoto – Hawaiian Electric
Ken Aramaki – Hawaiian Electric
Cheryl Quiton-Agunat – Hawaiian Electric
Cindy Shiroma – Hawaiian Electric



December 23, 2015

**VIA U.S. MAIL,
FACSIMILE AND EMAIL**

Lanikuhana Solar, LLC
c/o Mr. Wren Wescoatt
SunEdison
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813
Email: WWescoatt@sunedison.com

Ms. Jennifer Lootens
44 Montgomery Street, Suite 2200
San Francisco, CA 94104

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179 Lincoln Street, Suite 500
Boston, MA 02111
Facsimile: (808) 441-4604

**Subject: Lanikuhana Solar, LLC (aka Mililani Solar II) – Balance of Company-Owned Interconnection
Facilities Prepayment – Wire Instructions**

Dear Mr. Wescoatt and Ms. Lootens:

Reference is made to that certain Power Purchase Agreement For Renewable As-Available Energy Between Hawaiian Electric Company, Inc. ("Hawaiian Electric" or "Company") and Lanikuhana Solar ("Seller") dated December 3, 2014 ("PPA").


On December 16, 2015, Hawaiian Electric sent a letter to Seller indicating that based on a renewed look at the project accounting and schedule, that the balance of the Company-Owned Interconnection Facilities prepayment would be required prior to January 1, 2016 in order for the Company to continue work without interruption. Accordingly, the December 16, 2015 letter amended the October 28, 2015, November 5, 2015, and November 25, 2015 letters to designate December 31, 2015, as the latest date the Payment may be made as required under Section 3(b)(iii) (Balance of Company-Owned Interconnection Facilities Prepayment) of Attachment G (Company-Owned Interconnection Facilities) and Section 15.2(A) of the PPA. In support of this requirement please send payment before 9:00 am (Hawaii Standard Time) on December 31, 2015 via wire using the following information:

Bank Name: Bank of Hawaii
ABA No. 121301028
Account Name: Hawaiian Electric Customer Service
Account Number: 0084-326690
Reference: Hawaiian Electric Company, Inc., Contact: Melanie Sawai (808) 543-7985

Lanikuhana Solar, LLC
SunEdison, Inc.
Mr. Wren Wescoatt
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December 23, 2015
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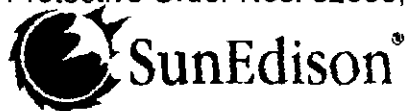
Should you have any questions, please let me know.

Sincerely,



Debbie Nuesca
Project Manager
Hawaiian Electric Company, Inc.

cc: Reese Yorimoto – Hawaiian Electric
Ken Aramaki – Hawaiian Electric
Cheryl Quiton-Agunat – Hawaiian Electric
Cindy Shiroma – Hawaiian Electric



Waipio PV, LLC
179 Lincoln Street, Suite 500
Boston, MA 02111

December 30, 2015

Debbie Nuesca
Hawaiian Electric Company, Inc.
P.O. Box 2750
Honolulu, Hawaii 96840

RE: Response to December 10, 2015 HECO Letter Regarding Earthwork at Akau Substation Pad

Dear Ms. Nuesca:

I write in response to your letter dated December 10, 2015, regarding Hawaiian Electric Company, Inc.'s ("HECO's") concerns the grading work performed at the Akau Substation Site (the "Site").

First, thank you for both explaining your concerns and proposing an expedited method to resolve those concerns given the time pressures faced by Waipio, LLC ("Owner") at the time your letter was written. Those time constraints have been at least partially mitigated by recent events, and I do not believe that the solution proposed in your letter is either warranted or necessary. Indeed, for the reasons set forth herein and based on the additional information and verification that has been provided in the attached response letter from contractor [REDACTED] (Exhibit A) and that will be provided by testing agency [REDACTED], we believe that HECO will agree that the proposed complete re-grading of the switchyard pads is not warranted. We appreciate HECO's patience while we gathered this documentation to address each of HECO's specific concerns. Obviously, the proposal in your letter would have resulted in significant additional project delays and expensive rework which can now be avoided. Please review this letter and the attachment and indicate whether HECO is in agreement that the project can move forward without further re-grading and testing.

The Site Grading Plan Was Designed by a Qualified, Licensed Engineering Firm and Complies with All Requirements of the Final Geotechnical Report

As a preliminary matter, your letter asserts that because the Site grading plan was designed and permitted according to the Preliminary Geotechnical Report rather than the Final Geotechnical

Report, this somehow renders the work that was performed inadequate such that the grading permit may not be closed. This is fundamentally incorrect.

First, the grading plan was designed in compliance with the Preliminary Geotechnical Report by a reputable, licensed engineering firm and was constructed in accordance with the grading plan (and therefore the requirements of the Preliminary and Final Geotechnical Reports). The grading plan was designed by the reputable, licensed Hawaii civil engineering firm [REDACTED] which submitted the Grading Permit application on April 30th, 2015. As part of this submittal, HECO's own engineer, [REDACTED] provided a signed and stamped letter certifying that the Grading Plans had been designed in conformance with the Preliminary Geotechnical Report. Because the substantive requirements for the construction of the pad in the Preliminary and Final Geotechnical Reports are the same, [REDACTED] design was adequate.

Second, as certified in the final geotechnical conformance letter issued by [REDACTED], the work on the building pad was performed in compliance with all recommendations in the Final Geotechnical Report.

Third, [REDACTED] use of [REDACTED] rather than an alternate provider such as [REDACTED] as the QA/QC consultant was reasonable. HECO raises a concern that [REDACTED], rather than [REDACTED], was utilized as the testing and QA/QC consultant on this project. [REDACTED] is an experienced, reputable, licensed testing contractor in the State of Hawaii and was qualified to perform the work. As to the statement in the Final Geotechnical Report commissioned by HECO recommending that [REDACTED] be present, HECO had notice and the opportunity to ask that [REDACTED] be present to independently represent HECO if it chose to do so.

As to the five specific concerns raised at pages 3-4 of your letter, the Owner offers the following responses:

Concerns Raised in HECO Letter	Clarification re Underlying Information
<i>"1. Inconsistencies in test data provided. Exhibit 1, attached hereto, shows a comparison of the test data provided in the three Grading Reports"</i>	The "discrepancies" were the result of the use of two different reference points rather than an actual conflict in or inconsistent data. The data has been reconciled and no change in test elevations occurred. Per [REDACTED], there is

Concerns Raised in HECO Letter	Clarification re Underlying Information
<p><i>provided to Hawaiian Electric by Waipio PV.</i></p> <p><i>Highlighted cells in Exhibit 1 indicate values that have changed between the three Grading Reports. The major concerns are the changes (highlighted in yellow) in elevations that the tests</i></p> <p><i>were taken at, acceptance of results categorized as "fail," and removal of tests from the report</i></p> <p><i>(highlighted in red). Hawaiian Electric is concerned that these changes in test elevations between the various Grading Reports was done as a result of questions raised by Hawaiian Electric rather than revised for clarity or accuracy.</i></p> <p><i>Upon submittal of the Original Grading Report, Hawaiian Electric raised questions regarding the</i></p> <p><i>lack of measurements taken within the first 12 to 13 feet of fill (out of 15 feet). Subsequent to that, Waipio PV provided the Revised Grading Report, which included test elevations (at the same test locations) which spanned the depth of the fill. Hawaiian Electric then questioned</i></p>	<p><i>no concern that there is any inaccuracy or error in the data. All areas that produced "fail" test results were remediated and retested. Upon retest, all produced "pass" results.</i></p>

Concerns Raised in HECO Letter	Clarification re Underlying Information
<p><i>how</i></p> <p><i>the grading work was performed, since the test numbering in relation to elevations and dates do</i></p> <p><i>not correlate with general construction practices. Similarly, Waipio PV's submittal of the Final</i></p> <p><i>Grading Report included another set of test results, with different elevations.</i></p> <p><i>Within the Original Grading Report, there were several tests that produced a "fail" test result. It</i></p> <p><i>is unclear whether these areas were remediated and retested to attain a pass level."</i></p>	
<p><i>"2. The Final Geotechnical Report stated that the fill or new construction should be scarified to a</i></p> <p><i>depth of 8 inches and moisture-conditioned to be within 3 percent of the optimum moisture</i></p> <p><i>content. The Grading Report indicates the optimum moisture content for the different types of soil materials. Exhibit 1 shows that</i></p>	<p>HECO's concern in this item is not clear.</p> <p>If the concern is that the soil was not scarified to a depth of 8 inches as required by the Final Geotechnical Report, that concern is unfounded because the requirements of the Preliminary and Final Geotechnical Reports were the same on this point. The Preliminary</p>

Concerns Raised in HECO Letter	Clarification re Underlying Information
<p><i>many of the samples did not meet the required optimum moisture content. Since some of these soils are slightly expansive and were not installed at the optimum moisture content, there is a possibility that the soil could expand if that layer dries out and becomes wet again. This soil expansion could cause differential movement between the structures."</i></p>	<p>Geotechnical Report contained a statement in the "Discussion and Preliminary Recommendations" section that surface soils should be removed down to Very Hard Residual Soils. This comment mirrors the recommendation (#2, 6 and 7) in the Final Geotechnical Report that surface soils need to be removed down to hard undisturbed residual soils. Contractor [REDACTED] has documented that "[t]he cut and fill areas involved where cleared and grubbed with a Cat D8 Dozer to remove organics and expose competent soil. This subgrade was then proof roll with 825 Cat Compactor, no soft spots where found. Subgrade was visually inspected by [REDACTED], SunEd and [REDACTED], all found this subgrade to be stiff and competent. The subgrade was also tested for compaction by [REDACTED]." (Exhibit A.) In short, this work was performed in accordance with the requirements of both reports.</p> <p>If the concern is that not all soils were moisture-conditioned within three percent of the optimum moisture content, that concern has no foundation in the data. Per [REDACTED], any out-of-tolerance samples were remedied during the construction process.</p>
<p><i>"3. Grading Reports do not indicate in the text or tables the specific depths of the removal of the</i></p>	<p>Neither the Final Geotechnical Report nor Section 10 of the Standard Specifications for Public Works Construction requires recording of the depth of disturbed surface soil. [REDACTED]</p>

Concerns Raised in HECO Letter	Clarification re Underlying Information
<i>disturbed soil. There is no documentation of the actual depth of the removal of disturbed surface soil. Accordingly, there is no confirmation that the fill or new construction was installed on undisturbed residual silt and clays as recommended per Final Geotechnical Report."</i>	confirmed in a November 22, 2015 letter (stamped by a Hawaii-licensed Professional Engineer) that the surface material was removed and prepared in accordance with applicable recommendations. No further confirmation is required.
<i>"4. The Final Grading Report states that "it was determined that the work was generally in compliance." This statement implies that not all of the 58 recommendations provided in the Final Geotechnical Report were adhered to. The Final Grading Report did not address what recommendations were not adhered to."</i>	Per [REDACTED], all requirements of the final geotechnical report were satisfied. There were no recommendations that were not adhered to.

[REDACTED] is currently meeting with the County Civil Engineering Branch (the "County") to complete the close-out of the permit. That process will involve completing a Final Geotechnical Report for the project and resolving any open issues between the Preliminary Site Grading report and the Final Geotechnical Report, and will require [REDACTED] and the Owner to satisfy any and all remaining concerns of the County. It is not reasonable for HECO to attempt to hold the Owner to a higher (and undefined) standard than what is required by the County. The Owner will comply with any additional requirements imposed by the County (if any), and will keep HECO appraised of those outcomes.

Given the information set forth above, no regrading work is merited and would result in unnecessary costs and delay to the project. Please confirm that HECO's concerns have been addressed.

Yours very truly,

A handwritten signature in black ink, appearing to read "Wren W. Wescoatt", with a stylized flourish at the end.

Wren W. Wescoatt
Senior Director of Development



Lanikuhana Solar, LLC
179 Lincoln Street, Suite 500
Boston, MA 02111

December 30, 2015

Debbie Nuesca
Hawaiian Electric Company, Inc.
P.O. Box 2750
Honolulu, Hawaii 96840

RE: Response to December 10, 2015 HECO Letter Regarding Earthwork at Substation Pad

Dear Ms. Nuesca:

I write in response to your letter dated December 10, 2015, regarding Hawaiian Electric Company, Inc.'s ("HECO's") concerns the grading work performed at the Hema Substation Site (the "Site").

First, thank you for both explaining your concerns and proposing an expedited method to resolve those concerns given the time pressures faced by Lanikuhana Solar, LLC ("Owner") at the time your letter was written. Those time constraints have been at least partially mitigated by recent events, and I do not believe that the solution proposed in your letter is either warranted or necessary. Indeed, for the reasons set forth herein and based on the additional information and explanation that has been provided in the attached response letter from contractor [REDACTED] (Exhibit A) and that will be provided by testing agency [REDACTED] we believe that HECO will agree that the proposed complete re-grading of the switchyard pads is not warranted. We appreciate HECO's patience while we gathered this documentation to address each of HECO's specific concerns. Obviously, the complete re-grading of the pad would result in significant additional project expense which can now be avoided. Please review this letter and the attachment and indicate whether HECO is in agreement that the project can move forward without further re-grading and testing.

The Site Grading Plan Was Designed by a Qualified, Licensed Engineering Firm and Complies with All Requirements of the Final Geotechnical Report

As a preliminary matter, your letter asserts that because the Lanikuhana site grading plan was designed and permitted according to the Preliminary Geotechnical Report rather than the Final

Geotechnical Report, this somehow renders the work that was performed inadequate such that the grading permit may not be able to be closed. This is fundamentally incorrect.

First, [REDACTED], which is an AASHTO-accredited civil engineering firm that is registered in Hawaii and that uses Hawaii-certified technicians, has compared the Preliminary Geotechnical Report and the Final Geotechnical Report and determined there are no substantive differences between the two with respect to requirements for building the pad. Although your letter asserts that HECO has "no assurance of conformance to the Final Geotechnical Report which is a condition of the foundation design," that is not accurate. Per [REDACTED] the requirements to construct the pad are the same under both the Preliminary and Final Geotechnical Reports.

Second, the grading plan was designed in compliance with the Preliminary Geotechnical Report by a reputable, licensed engineering firm and was constructed in accordance with the grading plan (and therefore the requirements of the Preliminary and Final Geotechnical Reports). The grading plan was designed by the reputable, licensed Hawaii civil engineering firm [REDACTED], which submitted the Grading Permit application on April 30th, 2015. As part of this submittal, HECO's own engineer, [REDACTED] provided a signed and stamped letter certifying that the Grading Plans had been designed in conformance with the Preliminary Geotechnical Report. Because the substantive requirements for the construction of the pad in the Preliminary and Final Geotechnical Reports are the same, [REDACTED] design was adequate.

Third, as certified in the final geotechnical conformance letter issued by [REDACTED], the work on the building pad was performed in compliance with all recommendations in the Final Geotechnical Report.

Fourth, [REDACTED] use of [REDACTED] rather than an alternate provider such as [REDACTED] as the QA/QC consultant was reasonable. HECO raises a concern that [REDACTED] rather than [REDACTED], was utilized as the testing and QA/QC consultant on this project. [REDACTED] is an experienced, reputable, licensed testing contractor in the State of Hawaii and was qualified to perform the work. As to the statement in the Final Geotechnical Report commissioned by HECO recommending that [REDACTED] be present, HECO had notice and the opportunity to ask that [REDACTED] be present to independently represent HECO if it chose to do so. In any event, [REDACTED] use of [REDACTED] is consistent with industry practice.

As to the five specific concerns raised at pages 3-4 of your letter, below are specific responses:

Concerns Raised in HECO Letter	Clarification re Underlying Information
<p><i>"1. Inconsistencies in test data provided. Exhibit 1, attached hereto, shows a comparison of the test data provided in the three Grading Reports provided to HECO by Waipio PV.</i></p> <p><i>Highlighted cells in Exhibit 1 indicate values that have changed between the three Grading Reports. The major concerns are the changes (highlighted in yellow) in elevations that the tests</i></p> <p><i>were taken at, acceptance of results categorized as "fail," and removal of tests from the report</i></p> <p><i>(highlighted in red). HECO is concerned that these changes in test elevations</i></p> <p><i>between the various Grading Reports was done as a result of questions raised by Hawaiian</i></p> <p><i>Electric rather than revised for clarity or accuracy."</i></p>	<p>The "discrepancies" were the result of the use of two different reference points rather than an actual conflict in or inconsistent data. The data has been reconciled and no change in test elevations occurred. [REDACTED] confirms there is no concern that there is any inaccuracy or error in the data.</p>
<p><i>"2. In the Grading Reports there were several tests that were marked as "Pass" but did not meet</i></p> <p><i>the fill compaction recommendations of either the Preliminary or Final Geotechnical Report</i></p>	<p>The "pass" notation in the summary indicates that the relative compaction of the soil met the requirements of the geotechnical report. All out-of-tolerance test results were resolved (and the soil was reconditioned and re-tested) prior to the tests being marked "pass." [REDACTED]</p>

Concerns Raised in HECO Letter	Clarification re Underlying Information
<i>due to their low moisture contents. It is unclear whether these areas were remediated and retested to attain a pass level."</i>	█ assures that all moisture conditions were resolved during the course of the project.
<i>"3. The Final Geotechnical Report stated that the fill or new construction should be scarified to a depth of 8 inches and moisture-conditioned to be within 3 percent of the optimum moisture content. The Grading Report indicates the optimum moisture content for the different types of soil materials. Exhibit 1 shows that many of the samples did not meet the required optimum moisture content. Since some of these soils are slightly expansive and were not installed at the optimum moisture content, there is a possibility that the soil could expand if that layer dries out and becomes wet again. This soil expansion could cause differential movement between the structures."</i>	<p>HECO's concern in this item is not clear.</p> <p>If the concern is that the soil was not scarified to a depth of 8 inches as required by the Final Geotechnical Report, that concern is unfounded because the requirements of the Preliminary and Final Geotechnical Reports were the same on this point. The Preliminary Geotechnical Report contained a statement in the "Discussion and Preliminary Recommendations" section that surface soils should be removed down to Very Hard Residual Soils. This comment mirrors the recommendation (#2, 6 and 7) in the Final Geotechnical Report that surface soils need to be removed down to hard undisturbed residual soils. Contractor █ has documented that "[t]he fill area involved was cleared and grubbed with a Cat D8 Dozer to remove organics and expose competent soil." A large quantity of unsuitable material was removed and hauled off per SunEd's instructions. "This subgrade of the fill area was then proof roll with 825 Cat Compactor, no soft spots were found. Subgrade was visually inspected by █ SunEd and █ all found this subgrade to be stiff and competent. The subgrade was also</p>

Concerns Raised in HECO Letter	Clarification re Underlying Information
	<p>tested for compaction by [REDACTED]." (Exhibit A.) In short, this work was performed in accordance with the requirements of both reports.</p> <p>If the concern is that not all soils were moisture-conditioned within three percent of the optimum moisture content, that concern has no foundation in the data. Any out-of-tolerance samples were remedied during the construction process.</p>
<p><i>"4. Grading Reports do not indicate in the text or tables the specific depths of the removal of the disturbed soil. There is no documentation of the actual depth of the removal of disturbed surface soil. Accordingly, there is no confirmation that the fill or new construction was installed on undisturbed residual silt and clays as recommended per Final Geotechnical Report."</i></p>	<p>Neither the Final Geotechnical Report nor Section 10 of the Standard Specifications for Public Works Construction requires recording of the depth of disturbed surface soil. [REDACTED] confirmed in a November 22, 2015 letter (stamped by a Hawaii-licensed Professional Engineer) that the surface material was removed and prepared in accordance with applicable recommendations. No further confirmation is required.</p>
<p><i>"5. The Final Grading Report states that "it was determined that the work was generally in compliance." This statement implies that not all of the 59 recommendations provided in the Final Geotechnical Report were adhered to.</i></p>	<p>Per [REDACTED] all requirements of the final geotechnical report were satisfied. There were no recommendations that were not adhered to.</p>

Concerns Raised in HECO Letter	Clarification re Underlying Information
<i>The Final Grading Report did not address what recommendations were not adhered to."</i>	

██████████ is currently meeting with the County Civil Engineering Branch (the "County") to complete the close-out of the permit. That process will involve completing a Final Geotechnical Report for the project and resolving any open issues between the Preliminary Site Grading report and the Final Geotechnical Report, and will require ██████████ and the Owner to satisfy any and all remaining concerns of the County. It is not reasonable for HECO to attempt to hold the Owner to a higher (and undefined) standard than what is required by the County. The Owner will comply with any additional requirements imposed by the County (if any), and will keep HECO apprised of those outcomes.

Given the information set forth above, no regrading work is merited and would result in unnecessary costs and delay to the project. Please confirm that HECO's concerns have been addressed.

Yours very truly,



Wren W. Wescoatt
Senior Director of Development



December 30, 2015

**VIA U.S. MAIL,
FACSIMILE AND EMAIL**

Waipio PV, LLC
c/o Mr. Wren Wescoatt
SunEdison
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813
Email: WWescoatt@sunedison.com

Ms. Jennifer Lootens
44 Montgomery Street, Suite 2200
San Francisco, CA 94104

SunEdison, Inc.
179 Lincoln Street, Suite 500
Boston, MA 02111
Facsimile: (808) 441-4604

RE: Waipio PV (formerly Waiawa PV, LLC) - Seller's Obligations

Dear Mr. Wescoatt and Ms. Lootens:

Reference is made to that certain Power Purchase Agreement For Renewable As-Available Energy between Hawaiian Electric Company, Inc. ("Hawaiian Electric" or "Company") and Waipio PV, LLC, formerly Waiawa PV, LLC, ("Seller") dated December 3, 2014 ("PPA"). Company has been informed that Seller is in the process of assigning its interest in the PPA to an affiliate of DE Shaw ("Buyer") and that as a condition to such assignment, Seller is requesting that Buyer be allowed to show compliance with certain Guaranteed Project Milestones and/or that Seller be given an extension of such milestones.

At this time, Company is unable to agree to such requests. Please note that one of the January 1, 2016 Guaranteed Project Milestone requires, as follows:

Provide Company with documentation reasonably satisfactory to Company evidencing (i) the closing on financing for the Facility or (ii) the financial capability to construct the Facility ("Construction Financing Closing Milestone").

Seller proposed that that the financial statements of Buyer's ultimate parent entity, DE Shaw Group, provides evidence of Buyer's financial capability to construct the Facility, however, Seller has not provided any commitment or agreement that Buyer is obligated to complete Seller's requirements under the PPA. Seller has provided Hawaiian Electric a copy of the Purchase Agreement dated December 29, 2015 between Seller and Buyer, but such agreement does not require Buyer to take on Seller's obligations under the PPA unless several conditions are met. Further, Seller has not satisfied any of the conditions to completing an assignment of the Facility as required under the PPA. As such, it is entirely premature for Seller to submit the financial capability of Buyer as evidence that Seller has satisfied the Construction Financing Closing Milestone of the PPA as of January 1, 2016. Failure by Seller to meet the PPA milestones on January 1, 2016 will result in an Event of Default by the Seller pursuant to the PPA.

If Buyer is, in fact, committed to purchasing the PPA and all rights and obligations of Seller thereunder, Company requests that Seller comply with the terms of the PPA to obtain Company's consent to the assignment under Section 19.2, or provide the required information called for in Section 1(e) of Attachment P, in lieu of such consent. Until such terms are satisfied and Buyer is legally obligated to perform under the PPA, Company cannot consider Buyer, or Buyer's financial capability, to satisfy any of Seller's obligations under the PPA.

Further, it is our understanding that Seller has requested Company to accept a commercial letter of credit in lieu of cash to satisfy the final required installment of the Company-Owned Interconnection Facilities Prepayment, currently due on December 31, 2015. At this time, without the opportunity to review the form of such letter of credit and the conditions, if any, to draw upon it and without an amendment to the PPA for allowing for payment by letter of credit, Company cannot accept such form of payment in lieu of cash. With only one day remaining until this payment is due, Company must insist upon a cash payment on the deadline to satisfy this payment obligation. Without such payment, our ability to continue to move forward with the implementation work in a timely manner is at risk, putting greater risk on the project milestones. Further, if payment is not received by the December 31, 2015 deadline, Seller will be in default under the PPA.

Finally, Company notes that Seller appears to be under the assumption that since the deadline for qualifying for the federal Investment Tax Credit (the "ITC") has been extended by Congress, PPA milestones and deadlines, including the Guarantee Commercial Operations Date of December 31, 2016, are somehow less important and/or justify Seller's various requests for extensions over the past several months. Please note and understand that the PPA milestones and deadlines were put in place not only to ensure that Seller qualified for the ITC, but also to benefit Company and its customers by ensuring the timely implementation of significant renewable energy resources to further the State's RPS goals and most importantly, urgently pave the way for reduced energy bills for all customers by reducing our reliance on fossil fuels and their historically volatile price fluctuations. As such, Company cannot consider these requests for extensions without corresponding concessions or accommodations from Seller that will ultimately benefit Company's customers.

Please let me know any questions or discussion regarding any of the above.

Sincerely,



Rodney S. Chong
Manager Renewable Acquisition

cc: Shelee Kimura - Hawaiian Electric
Dmitri Jarocki - Hawaiian Electric
Reese Yorimoto - Hawaiian Electric
Ken Aramaki - Hawaiian Electric
Debbie Nuesca - Hawaiian Electric
Rebecca Dayhuff Matsushima - Hawaiian Electric
Andrea Wang Lucan - Sheppard Mullin for Waipio PV



December 30, 2015

**VIA U.S. MAIL,
FACSIMILE AND EMAIL**

Lanikuhana Solar, LLC
c/o Mr. Wren Wescoatt
SunEdison
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813
Email: WWescoatt@sunedison.com

Ms. Jennifer Lootens
44 Montgomery Street, Suite 2200
San Francisco, CA 94104

SunEdison, Inc.
179 Lincoln Street, Suite 500
Boston, MA 02111
Facsimile: (808) 441-4604

RE: Lanikuhana Solar, LLC – Seller's Obligations

Dear Mr. Wescoatt and Ms. Lootens:

Reference is made to that certain Power Purchase Agreement For Renewable As-Available Energy between Hawaiian Electric Company, Inc. ("Hawaiian Electric" or "Company") and Lanikuhana Solar, LLC ("Seller") dated December 3, 2014 ("PPA"). Company has been informed that Seller is in the process of assigning its interest in the PPA to an affiliate of DE Shaw ("Buyer") and that as a condition to such assignment, Seller is requesting that Buyer be allowed to show compliance with certain Guaranteed Project Milestones and/or that Seller be given an extension of such milestones.

At this time, Company is unable to agree to such requests. Please note that one of the January 1, 2016 Guaranteed Project Milestone requires, as follows:

Provide Company with documentation reasonably satisfactory to Company evidencing (i) the closing on financing for the Facility or (ii) the financial capability to construct the Facility ("Construction Financing Closing Milestone").

Seller proposed that that the financial statements of Buyer's ultimate parent entity, DE Shaw Group, provides evidence of Buyer's financial capability to construct the Facility, however, Seller has not provided any commitment or agreement that Buyer is obligated to complete Seller's requirements under the PPA. Seller has provided Hawaiian Electric a copy of the Purchase Agreement dated December 29, 2015 between Seller and Buyer, but such agreement does not require Buyer to take on Seller's obligations under the PPA unless several conditions are met. Further, Seller has not satisfied any of the conditions to completing an assignment of the Facility as required under the PPA. As such, it is entirely premature for Seller to submit the financial capability of Buyer as evidence that Seller has satisfied the Construction Financing Closing Milestone of the PPA as of January 1, 2016. Failure by Seller to meet the PPA milestones on January 1, 2016 will result in an Event of Default by the Seller pursuant to the PPA.

Hawaiian Electric

If Buyer is, in fact, committed to purchasing the PPA and all rights and obligations of Seller thereunder, Company requests that Seller comply with the terms of the PPA to obtain Company's consent to the assignment under Section 19.2, or provide the required information called for in Section 1(e) of Attachment P, in lieu of such consent. Until such terms are satisfied and Buyer is legally obligated to perform under the PPA, Company cannot consider Buyer, or Buyer's financial capability, to satisfy any of Seller's obligations under the PPA.

Further, it is our understanding that Seller has requested Company to accept a commercial letter of credit in lieu of cash to satisfy the final required installment of the Company-Owned Interconnection Facilities Prepayment, currently due on December 31, 2015. At this time, without the opportunity to review the form of such letter of credit and the conditions, if any, to draw upon it and without an amendment to the PPA for allowing for payment by letter of credit, Company cannot accept such form of payment in lieu of cash. With only one day remaining until this payment is due, Company must insist upon a cash payment on the deadline to satisfy this payment obligation. Without such payment, our ability to continue to move forward with the implementation work in a timely manner is at risk, putting greater risk on the project milestones. Further, if payment is not received by the December 31, 2015 deadline, Seller will be in default under the PPA.

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Please let me know any questions or discussion regarding any of the above.

Sincerely,



Rodney S. Chong
Manager Renewable Acquisition

cc: Shelee Kimura - Hawaiian Electric
Dmitri Jarocki - Hawaiian Electric
Reese Yorimoto - Hawaiian Electric
Ken Aramaki - Hawaiian Electric
Debbie Nuesca - Hawaiian Electric
Rebecca Dayhuff Matsushima - Hawaiian Electric
Andrea Wang Lucan - Sheppard Mullin for Lanikuhana Solar, LLC



December 31, 2015

**VIA U.S. MAIL,
FACSIMILE AND EMAIL**

Waipio PV, LLC
c/o Mr. Wren Wescoatt
SunEdison
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813
Email: WWescoatt@sunedison.com

Ms. Jennifer Lootens
44 Montgomery Street, Suite 2200
San Francisco, CA 94104

SunEdison, Inc.
179 Lincoln Street, Suite 500
Boston, MA 02111
Facsimile: (808) 441-4604

RE: Akau Substation Pad (Waipio PV, LLC) – Grading Issues

Dear Mr. Wescoatt and Ms. Lootens:

Reference is made to that certain Power Purchase Agreement For Renewable As-Available Energy Between Hawaiian Electric Company, Inc. ("Hawaiian Electric" or "Company") and Waipio PV, LLC, formerly Waiawa PV, LLC, ("Waipio PV" or "Seller") dated December 3, 2014 ("PPA"). This letter represents Hawaiian Electric's response to Seller's December 30, 2015 letter ("Seller's December 30 Letter") responding to Company's December 10, 2015 letter regarding earthwork at the Akau Substation Pad.

As previously noted, based on the information provided to Hawaiian Electric between November 15, 2015 and November 24, 2015, Hawaiian Electric has significant concerns with the Grading Work performed on the Akau Substation site. On December 10, 2015, Hawaiian Electric informed Seller of Hawaiian Electric's concerns with the grading done for the Akau Substation Pad ("Hawaiian Electric's December 10 Letter"), specifically noting Hawaiian Electric's concern that Seller had failed to show that the grading was completed in accordance with [REDACTED] Subsurface Investigative Report dated March 11, 2015 prepared for the Akau Substation (Koa Ridge) site ("Final Geotechnical Report"), which was provided to Seller on March 26, 2015. Hawaiian Electric's December 10 Letter requested Seller to excavate the site and regrade to ensure compliance with the Final Geotechnical Report.

Hawaiian Electric has reviewed Seller's December 30 Letter and its attachments. Seller's December 30 Letter does not satisfy Hawaiian Electric's concerns as Seller has failed to provide any further information than what was previously provided to Hawaiian Electric to confirm that the grading was completed in accordance with the Final Geotechnical Report. Seller's December 30 Letter claims that a letter from a licensed engineer is sufficient to prove that grading was completed in accordance with the Final Geotechnical Report. However, such letter does not set forth any data, test results,

Waipio PV, LLC
SunEdison, Inc.
Ms. Jennifer Lootens
Mr. Wren Wescoatt
December 31, 2015
Page 2

Confidential Information Deleted Pursuant to
Protective Order Nos. 32538, 32539, and 32541.

EXHIBIT 35
PAGE 2 OF 3

photos, or other specific information that supports the engineer's position. Seller has also failed to provide all of the documentation referenced in Seller's December 30 Letter to Hawaiian Electric for review. For example, Seller references a letter from FGE certifying that the Grading Plans had been designed in conformance with the preliminary geotechnical report, but Hawaiian Electric has never been provided a copy of such letter. Further, Seller's letter claims that Hawaiian Electric did not object to [REDACTED] being utilized as the testing and QA/QC consultant for the project. However, Hawaiian Electric was never informed that [REDACTED] was being used for this purpose and was only informed that grading had started. As you know, the Final Geotechnical Report recommended that [REDACTED] be retained to ensure compliance with this final report and not the preliminary report relied upon by [REDACTED]. Without such knowledge of [REDACTED] involvement (instead of [REDACTED]), Hawaiian Electric assumed that Seller would complete grading in accordance with the terms of the Final Geotechnical Report unless Seller notified Hawaiian Electric otherwise as the Final Geotechnical Report was provided to Seller well in advance of Seller's undertaking of the grading work.

As Seller has failed to provide any additional support to refute Hawaiian Electric's concerns and recommendation, despite taking twenty (20) days to respond to Hawaiian Electric's December 10 Letter, Company's position requiring excavation and regrading of the site for the Akau Substation Pad as set forth in Hawaiian Electric's December 10 Letter remains unchanged. Hawaiian Electric does not anticipate changing its position unless Seller can provide substantive information and documentation that specifically relates to and demonstrates that each of the recommendations set forth in the Final Geotechnical Report were completed (e.g. specify how each recommendation has been complied with and provide sufficient documentation). Examples of such information and documentation may include daily reports, photos, and test results. Hawaiian Electric requests that all such information and documentation be provided by 8:00 a.m., Monday January 4, 2016 in order to provide Company ample time to review such documentation. Depending on the clarity of the information presented and concise correlation to the recommendations set forth in the Final Geotechnical Report, Hawaiian Electric makes no guarantee in providing a response to this information by January 7, 2016 as requested by Seller.

As previously noted, resolution of this grading issue is critical to the commencement and completion of the Company's work for the Akau Substation, which is currently incurring (at minimum) day-for-day delays. Additional delays which are not yet known due to the current unknown completion date for the fully compliant Grading Work include, but are not limited to, coordination of 138 kV transmission line hold-offs, and scheduling of critical resources and equipment to complete the Company's work. Company previously communicated to Seller that Hawaiian Electric's contractor, [REDACTED] needs to start construction on the Akau Substation by February 1, 2016 in order to reduce the risk of further jeopardizing the project's ability to meet the Guaranteed Commercial Operations Date of December 31, 2016. As such, Seller's prompt attention to this matter and response by 8:00 a.m. on Monday, January 4, 2016 is imperative.

Waipio PV, LLC
SunEdison, Inc.
Ms. Jennifer Lootens
Mr. Wren Wescoatt
December 31, 2015
Page 3

EXHIBIT 35
PAGE 3 OF 3

Sincerely,



Debbie Nuesca
Hawaiian Electric Company, Inc.
Project Manager

cc: Shelee Kimura – Hawaiian Electric
Colton Ching – Hawaiian Electric
Rodney Chong – Hawaiian Electric
Dmitri Jarocki – Hawaiian Electric
Reese Yorimoto – Hawaiian Electric
Ken Aramaki – Hawaiian Electric
Rebecca Dayhuff Matsushima – Hawaiian Electric
Andrea Wang Lucan – Sheppard Mullin for Seller



**VIA U.S. MAIL,
FACSIMILE AND EMAIL**

Lanikuhana Solar, LLC
c/o Mr. Wren Wescoatt
SunEdison
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Honolulu, HI 96813
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Ms. Jennifer Lootens
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San Francisco, CA 94104

SunEdison, Inc.
179 Lincoln Street, Suite 500
Boston, MA 02111
Facsimile: (808) 441-4604

RE: Hema Substation Pad (Lanikuhana Solar, LLC) – Grading Issues

Dear Mr. Wescoatt and Ms. Lootens:

Reference is made to that certain Power Purchase Agreement For Renewable As-Available Energy Between Hawaiian Electric Company, Inc. ("Hawaiian Electric" or "Company") and Lanikuhana Solar, LLC, ("Lanikuhana" or "Seller") dated December 3, 2014 ("PPA"). This letter represents Hawaiian Electric's response to Seller's December 30, 2015 letter ("Seller's December 30 Letter") responding to Company's December 10, 2015 letter regarding earthwork at the Hema Substation Pad.

As previously noted, based on the information provided to Hawaiian Electric between November 15, 2015 and November 24, 2015, Hawaiian Electric has significant concerns with the Grading Work performed on the Hema Substation site. On December 10, 2015, Hawaiian Electric informed Seller of Hawaiian Electric's concerns with the grading done for the Hema Substation Pad ("Hawaiian Electric's December 10 Letter"), specifically noting Hawaiian Electric's concern that Seller had failed to show that the grading was completed in accordance with [REDACTED] Subsurface Investigative Report dated March 10, 2015 prepared for the Hema Substation (Mililani AG Park) site ("Final Geotechnical Report"), which was provided to Seller on March 26, 2015. Hawaiian Electric's December 10 Letter requested Seller to excavate the site and regrade to ensure compliance with the Final Geotechnical Report.

Hawaiian Electric has reviewed Seller's December 30 Letter and its attachments. Seller's December 30 Letter does not satisfy Hawaiian Electric's concerns as Seller has failed to provide any further information than what was previously provided to Hawaiian Electric to confirm that the grading was completed in accordance with the Final Geotechnical Report. Seller's December 30 Letter claims that a letter from a licensed engineer is sufficient to prove that grading was completed in accordance with the Final Geotechnical Report. However, such letter does not set forth any data, test results, photos, or other specific information that supports the engineer's position. Seller has also failed to provide all of the documentation referenced in Seller's December 30 Letter to Hawaiian Electric for

review. For example, Seller references a preliminary geotechnical report. However, despite repeated requests by Hawaiian Electric, Seller has not provided such report to Company for its review. Further, Seller's letter claims that Hawaiian Electric did not object to [REDACTED] being utilized as the testing and QA/QC consultant for the project. However, Hawaiian Electric was never informed that [REDACTED] was being used for this purpose and was only informed that grading had started. As you know, the Final Geotechnical Report recommended that [REDACTED] be retained to ensure compliance with this final report and not the preliminary report relied upon by [REDACTED]. Without such knowledge of [REDACTED] involvement (instead of [REDACTED]), Hawaiian Electric assumed that Seller would complete grading in accordance with the terms of the Final Geotechnical Report unless Seller notified Hawaiian Electric otherwise as the Final Geotechnical Report was provided to Seller well in advance of Seller's undertaking of the grading work.

As Seller has failed to provide any additional support to refute Hawaiian Electric's concerns and recommendation, despite taking twenty (20) days to respond to Hawaiian Electric's December 10 Letter, Company's position requiring excavation and regrading of the site for the Hema Substation Pad as set forth in Hawaiian Electric's December 10 Letter remains unchanged. Hawaiian Electric does not anticipate changing its position unless Seller can provide substantive information and documentation that specifically relates to and demonstrates that each of the recommendations set forth in the Final Geotechnical Report were completed (e.g. specify how each recommendation has been complied with and provide sufficient documentation). Examples of such information and documentation may include daily reports, photos, and test results, including the preliminary geotechnical report. Hawaiian Electric requests that all such information and documentation be provided by 8:00 a.m., Monday January 4, 2016 in order to provide Company ample time to review such documentation. Depending on the clarity of the information presented and concise correlation to the recommendations set forth in the Final Geotechnical Report, Hawaiian Electric makes no guarantee in providing a response to this information by January 7, 2016 as requested by Seller.

As previously noted, resolution of this grading issue is critical to the commencement and completion of the Company's work for the Hema Substation, which is currently incurring (at minimum) day-for-day delays. Additional delays which are not yet known due to the current unknown completion date for the fully compliant Grading Work include, but are not limited to, coordination of 138 kV transmission line hold-offs, and scheduling of critical resources and equipment to complete the Company's work. Company previously communicated to Seller that Hawaiian Electric's contractor, [REDACTED] needs to start construction on the Hema Substation by February 12, 2016 in order to reduce the risk of further jeopardizing the project's ability to meet the Guaranteed Commercial Operations Date of December 31, 2016. As such, Seller's prompt attention to this matter and response by 8:00 a.m. on Monday, January 4, 2016 is imperative.

Lanikuhana Solar, LLC
SunEdison, Inc.
Ms. Jennifer Lootens
Mr. Wren Wescoatt
December 31, 2015
Page 3

EXHIBIT 36
PAGE 3 OF 3

Sincerely,



Debbie Nuesca
Hawaiian Electric Company, Inc.
Project Manager

cc: Shelee Kimura – Hawaiian Electric
Colton Ching – Hawaiian Electric
Rodney Chong – Hawaiian Electric
Dmitri Jarocki – Hawaiian Electric
Reese Yorimoto – Hawaiian Electric
Ken Aramaki – Hawaiian Electric
Rebecca Dayhuff Matsushima – Hawaiian Electric
Andrea Wang Lucan – Sheppard Mullin for Seller



January 4, 2016

VIA EMAIL

Hawaiian Electric Company, Inc.
(808) 203-1470
Attn: Manager Renewable Acquisition

Hawaiian Electric Company, Inc.
Legal Department
P.O. Box 2750
Honolulu, Hawaii 96840

RE: Substation Pad Grading Issues

Dear Ms. Nuesca:

We are in receipt of a letter from Hawaiian Electric Company, Inc. ("HECO" or "Company") dated December 31, 2015 in response to the letter from Waipio PV, LLC ("Seller") regarding civil work at the substation pad for the Waipio solar project (the "Project"). Despite the additional explanation provided, HECO continues to maintain that the documentation is insufficient and unless further documentation is provided which addresses the concerns, the earthwork on the pads must be completely removed and re-done.

While Seller and its contractors continue to believe that the civil work was performed and documented correctly, it is apparent that both HECO and [REDACTED] anticipated that [REDACTED] would be contracted to do the monitoring work in relation to the specifications in the final geotechnical report prepared by [REDACTED]. Seller has provided all existing documentation on the grading work, and there was obviously a substantial difference between the data that Seller/[REDACTED] [REDACTED] collected and supplied and the data that HECO [REDACTED] expected to receive. These expectations were not articulated in any agreements or discussions between Company and Seller, which has resulted in the current misunderstanding.

However, in an effort to reach agreement with HECO and resume construction as soon as possible, Seller has been directed by the buyer of the Project, the DE Shaw Group ("Buyer") to begin the removal and re-grading work on the substation pad as soon as possible. Seller will have [REDACTED] perform the earthwork according to the specifications in [REDACTED] final geotechnical report. Additionally, we ask that Company direct [REDACTED] to perform the monitoring and testing and produce the final grading report that is required to comply with their final geotechnical report. In this way, HECO and [REDACTED] will be confident that work was completed as specified in the report, and further disagreements and delays can be avoided. [REDACTED] will be on site to advise [REDACTED] to ensure that work is being performed to [REDACTED] satisfaction and for [REDACTED] to identify any areas of existing work that can be preserved. As with all expenses related to Company Owned Interconnection Facilities, Seller fully understands that Seller will be ultimately responsible for payment of [REDACTED] services in this capacity.

Seller hopes that this course of action will lead to an expedient resolution to the grading issues and minimize future delays. Please indicate if Company agrees with this approach, as we plan to resume grading work on January 11, 2016 so that our work can be completed prior to February 2, 2016 and Company can resume its construction. Please confirm that [REDACTED] will be available and onsite as of January 11, 2016 to perform the supervisory duties referenced above and that Company will direct [REDACTED] to be available at all times necessary to avoid any further delay to the Project schedule.

Sincerely,



Wren W. Wescoatt

cc: Hawaiian Electric Company, Inc., Legal Department (808) 543-7302



January 4, 2016

VIA EMAIL

Hawaiian Electric Company, Inc.
(808) 203-1470
Attn: Manager Renewable Acquisition

Hawaiian Electric Company, Inc.
Legal Department
P.O. Box 2750
Honolulu, Hawaii 96840

RE: Substation Pad Grading Issues

Dear Ms. Nuesca:

We are in receipt of a letter from Hawaiian Electric Company, Inc. ("HECO" or "Company") dated December 31, 2015 in response to the letter from Lanikuhana Solar, LLC ("Seller") regarding civil work at the substation pad for the Mililani II project (the "Project"). Despite the additional explanation provided, HECO continues to maintain that the documentation is insufficient and unless further documentation is provided which addresses the concerns, the earthwork on the pads must be completely removed and re-done.

While Seller and its contractors continue to believe that the civil work was performed and documented correctly, it is apparent that both HECO and [REDACTED] anticipated that [REDACTED] would be contracted to do the monitoring work in relation to the specifications in the final geotechnical report prepared by [REDACTED]. Seller has provided all existing documentation on the grading work, and there was obviously a substantial difference between the data that Seller/[REDACTED] [REDACTED] collected and supplied and the data that HECO [REDACTED] expected to receive. These expectations were not articulated in any agreements or discussions between Company and Seller, which has resulted in the current misunderstanding.

However, in an effort to reach agreement with HECO and resume construction as soon as possible, Seller has been directed by the buyer of the Project, the DE Shaw Group ("Buyer") to begin the removal and re-grading work on the substation pad as soon as possible. Seller will have [REDACTED] perform the earthwork according to the specifications in [REDACTED] final geotechnical report. Additionally, we ask that Company direct [REDACTED] to perform the monitoring and testing and produce the final grading report that is required to comply with their final geotechnical report. In this way, HECO and [REDACTED] will be confident that work was completed as specified in the report, and further disagreements and delays can be avoided. [REDACTED] will be on site to advise [REDACTED] to ensure that work is being performed to [REDACTED] satisfaction and for [REDACTED] to identify any areas of existing work that can be preserved. As with all expenses related to Company Owned Interconnection Facilities, Seller fully understands that Seller will be ultimately responsible for payment of [REDACTED] services in this capacity.

Seller hopes that this course of action will lead to an expedient resolution to the grading issues and minimize future delays. Please indicate if Company agrees with this approach, as we plan to resume grading work on January 11, 2016 so that our work can be completed prior to February 12, 2016 and Company can resume its construction. Please confirm that [REDACTED] will be available and onsite as of January 11, 2016 to perform the supervisory duties referenced above and that Company will direct [REDACTED] to be available at all times necessary to avoid any further delay to the Project schedule.

Sincerely,



Wren W. Wescoatt

cc: Hawaiian Electric Company, Inc., Legal Department (808) 543-7302



January 4, 2016

**VIA U.S. MAIL,
FACSIMILE AND EMAIL**

Waipio PV, LLC
c/o Mr. Wren Wescoatt
SunEdison
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813
Email: WWescoatt@sunedison.com

Ms. Jennifer Lootens
44 Montgomery Street, Suite 2200
San Francisco, CA 94104

SunEdison, Inc.
179 Lincoln Street, Suite 500
Boston, MA 02111
Facsimile: (808) 441-4604

**RE: Waipio PV (formerly Waiawa PV, LLC) – Notice of Default for Failure to Make
Prepayment – Docket No. 2014-0359**

Dear Mr. Wescoatt and Ms. Lootens:

This letter serves as official notice that Waipio PV, LLC, formerly Waiawa PV, LLC ("Seller") has failed to make a payment as required under that certain Power Purchase Agreement For Renewable As-Available Energy between Hawaiian Electric Company, Inc. ("Hawaiian Electric" or "Company") and Seller dated December 3, 2014 ("PPA") and that such failure constitutes an Event of Default under the PPA.

On December 16, 2015, upon Seller's request for extension of a previously established payment date, Hawaiian Electric sent a letter to Seller amending its earlier correspondence and informing Seller that the amount owing under Section 3(b)(iii) (Balance of Company-Owned Interconnection Facilities Prepayment) of Attachment G (Company-Owned Interconnection Facilities) of the PPA for the balance of the Company-Owned Interconnection Facilities prepayment must be received no later than December 31, 2015. This deadline included the ten (10) Business Day grace period provided for missed payments in Section 15.2(A) of the PPA. Section 15.2(A) reads:

15.2 Events of Default by a Party. The occurrence of any of the following during the Term of the Agreement shall constitute an Event of Default by the Party responsible for the failure, action or breach in question:
(A) The failure to make any payment required pursuant to this Agreement when due if such failure is not cured within ten (10) Business Days after written notice is received by the Party failing to make such payment.

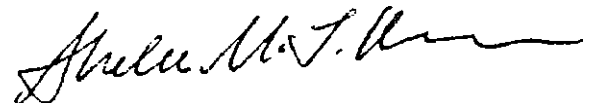
Seller did not provide the payment as required on December 31, 2015, and Hawaiian Electric hereby declares an Event of Default by Seller pursuant to Section 15.2(A) of the PPA.

Waipio PV, LLC
Ms. Jennifer Lootens
Mr. Wren Wescoatt
January 4, 2016
Page 2

Seller has also failed to meet two other required milestones which, if not cured, would result in two additional Events of Default under the PPA (see Hawaiian Electric's concurrent January 4, 2016 letter regarding Seller's failure to complete a Guaranteed Project Milestone), and the Company has serious concerns regarding Seller's ability to complete the project in a timely and acceptable manner. Hawaiian Electric is currently reviewing its rights and potential remedies under the PPA, including the right to terminate the PPA. Hawaiian Electric must consider and evaluate the course of action which is in the best interest of our customers and has the responsibility and obligation to seek relevant information on behalf of our customers to determine the status of the project and Seller's future ability to perform. It is imperative that the Company deliver the intended benefits of the project to our customers in a timely manner and meet the state's renewable portfolio standards of reaching 100% renewable energy, including considering other renewable energy projects if Seller is unable to perform its obligations under the PPA.

Thank you for your prompt attention to this matter.¹

Sincerely,



Shelee M. T. Kimura
Vice President, Corporate Planning &
Business Development

cc: State of Hawai'i Public Utilities Commission
Consumer Advocate of the State of Hawai'i
Rodney Chong – Hawaiian Electric
Dmitri Jarocki – Hawaiian Electric
Reese Yorimoto – Hawaiian Electric
Ken Aramaki – Hawaiian Electric
Debbie Nuesca – Hawaiian Electric
Rebecca Dayhuff Matsushima – Hawaiian Electric
Andrea Wang Lucan – Sheppard Mullin for Waipio PV

¹ Hawaiian Electric has provided a copy of this letter to the Commission and the Consumer Advocate to advise them of the status of this missed payment and Event of Default. See In re Approval of Power Purchase Contract with Honua Power, LLC, Docket No. 2010-0010, Decision & Order No. 31044, filed February 27, 2013 (noting that Hawaiian Electric must ensure that its Power Purchase Agreements with developers are on track and should provide timely notification of the contrary to the Commission and Consumer Advocate).



January 4, 2016

**VIA U.S. MAIL,
FACSIMILE AND EMAIL**

Lanikuhana Solar, LLC
c/o Mr. Wren Wescoatt
SunEdison
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813
Email: WWescoatt@sunedison.com

Ms. Jennifer Lootens
44 Montgomery Street, Suite 2200
San Francisco, CA 94104

SunEdison, Inc.
179 Lincoln Street, Suite 500
Boston, MA 02111
Facsimile: (808) 441-4604

**RE: Lanikuhana Solar, LLC – Notice of Default for Failure to Make Prepayment –
Docket No. 2014-0357**

Dear Mr. Wescoatt and Ms. Lootens:

This letter serves as official notice that Lanikuhana Solar, LLC ("Seller") has failed to make a payment as required under that certain Power Purchase Agreement For Renewable As-Available Energy between Hawaiian Electric Company, Inc. ("Hawaiian Electric" or "Company") and Seller dated December 3, 2014 ("PPA") and that such failure constitutes an Event of Default under the PPA.

On December 16, 2015, upon Seller's request for extension of a previously established payment date, Hawaiian Electric sent a letter to Seller amending its earlier correspondence and informing Seller that the amount owing under Section 3(b)(iii) (Balance of Company-Owned Interconnection Facilities Prepayment) of Attachment G (Company-Owned Interconnection Facilities) of the PPA for the balance of the Company-Owned Interconnection Facilities prepayment must be received no later than December 31, 2015. This deadline included the ten (10) Business Day grace period provided for missed payments in Section 15.2(A) of the PPA. Section 15.2(A) reads:

15.2 Events of Default by a Party. The occurrence of any of the following during the Term of the Agreement shall constitute an Event of Default by the Party responsible for the failure, action or breach in question:

(A) The failure to make any payment required pursuant to this Agreement when due if such failure is not cured within ten (10) Business Days after written notice is received by the Party failing to make such payment.

Seller did not provide the payment as required on December 31, 2015, and Hawaiian Electric hereby declares an Event of Default by Seller pursuant to Section 15.2(A) of the PPA.

Lanikuhana Solar, LLC
Ms. Jennifer Lootens
Mr. Wren Wescoatt
January 4, 2016
Page 2

Seller has also failed to meet two other required milestones which, if not cured, would result in two additional Events of Default under the PPA (see Hawaiian Electric's concurrent January 4, 2016 letter regarding Seller's failure to complete a Guaranteed Project Milestone), and the Company has serious concerns regarding Seller's ability to complete the project in a timely and acceptable manner. Hawaiian Electric is currently reviewing its rights and potential remedies under the PPA, including the right to terminate the PPA. Hawaiian Electric must consider and evaluate the course of action which is in the best interest of our customers and has the responsibility and obligation to seek relevant information on behalf of our customers to determine the status of the project and Seller's future ability to perform. It is imperative that the Company deliver the intended benefits of the project to our customers in a timely manner and meet the state's renewable portfolio standards of reaching 100% renewable energy, including considering other renewable energy projects if Seller is unable to perform its obligations under the PPA.

Thank you for your prompt attention to this matter.¹

Sincerely,



Shelee M. T. Kimura
Vice President, Corporate Planning &
Business Development

cc: State of Hawai'i Public Utilities Commission
Consumer Advocate of the State of Hawai'i
Rodney Chong – Hawaiian Electric
Dmitri Jarocki – Hawaiian Electric
Reese Yorimoto – Hawaiian Electric
Ken Aramaki – Hawaiian Electric
Debbie Nuesca – Hawaiian Electric
Rebecca Dayhuff Matsushima – Hawaiian Electric
Andrea Wang Lucan – Sheppard Mullin for Lanikuhana Solar

¹ Hawaiian Electric has provided a copy of this letter to the Commission and the Consumer Advocate to advise them of the status of this missed payment and Event of Default. See In re Approval of Power Purchase Contract with Honua Power, LLC, Docket No. 2010-0010, Decision & Order No. 31044, filed February 27, 2013 (noting that Hawaiian Electric must ensure that its Power Purchase Agreements with developers are on track and should provide timely notification of the contrary to the Commission and Consumer Advocate).



January 6, 2016

**VIA U.S. MAIL,
FACSIMILE AND EMAIL**

Waipio PV, LLC
c/o Mr. Wren Wescoatt
SunEdison
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813
Email: WWescoatt@sunedison.com

Ms. Jennifer Lootens
44 Montgomery Street, Suite 2200
San Francisco, CA 94104

SunEdison, Inc.
179 Lincoln Street, Suite 500
Boston, MA 02111
Facsimile: (808) 441-4604

RE: Akau Substation Pad (Waipio PV, LLC) – Grading Issues

Dear Mr. Wescoatt and Ms. Lootens:

Reference is made to that certain Power Purchase Agreement For Renewable As-Available Energy Between Hawaiian Electric Company, Inc. ("Hawaiian Electric" or "Company") and Waipio PV, LLC, formerly Waiawa PV, LLC, ("Waipio PV" or "Seller") dated December 3, 2014 ("PPA"). This letter represents Hawaiian Electric's response to Seller's January 4, 2016 letter ("Seller's January 4 Letter") responding to Company's December 31, 2015 letter regarding earthwork at the Akau Substation Pad.

Thank you for the Seller's January 4 Letter. While we do not agree with all of the characterizations set forth in the Seller's January 4 Letter, Hawaiian Electric appreciates your willingness to move forward with all work related to regrading earthwork at the Akau Substation Pad at Seller's expense. Please note, however, that Company's December 31, 2015 letter was sent prior to Company declaring Seller in default on January 4, 2016 ("Notice of Default"). Company also sent Seller a notice on January 4, 2016 regarding Seller's failure to meet Guaranteed Project Milestones and requesting further information from Seller as to how such milestones will be reached within the thirty (30) day cure period ("Guaranteed Project Milestone Notice"). Company has not yet received such information from Seller. As explained in the Notice of Default, Company is currently reviewing its rights and potential remedies under the PPA. Given the fact that one of Hawaiian Electric's potential remedies includes the right to terminate the PPA and Seller has yet to provide further information to Company as requested in the Guaranteed Project Milestone Notice, Company requests that Seller not move forward with the regrading at this time.

Company understands that by delaying the regrading earthwork, Company's contractor [REDACTED] may not be able to resume construction on the Akau Substation by February 2, 2016 and such delay will increase the risk of the project's ability to meet the Guaranteed Commercial Operations Date of December 31, 2016. Please note that in order for Company to complete a timely review, Company requests that Seller provide the information requested in the Guaranteed Project Milestone

Waipio PV, LLC
SunEdison, Inc.
Ms. Jennifer Lootens
Mr. Wren Wescoatt
January 6, 2016
Page 2

EXHIBIT 41
PAGE 2 OF 2

Notice immediately. Any delays to the regrading earthwork caused by Seller being in default under the PPA and Seller's failure to provide timely information regarding its ability to cure its missed Guaranteed Project Milestones and any resulting delay to the Guaranteed Commercial Operations Date set forth in the PPA will be at Seller's sole risk and responsibility, including any costs incurred by Company or its contractors due to such delay.

Given the time sensitive nature of this letter, Company requests Seller's prompt attention and response. Please contact me should you have any questions.

Sincerely,



Shelee M. T. Kimura
Vice President, Corporate Planning & Business
Development

cc: Colton Ching – Hawaiian Electric
Rodney Chong – Hawaiian Electric
Dmitri Jarocki – Hawaiian Electric
Reese Yorimoto – Hawaiian Electric
Ken Aramaki – Hawaiian Electric
Debbie Nuesca – Hawaiian Electric
Rebecca Dayhuff Matsushima – Hawaiian Electric
Andrea Wang Lucan – Sheppard Mullin for Seller



January 6, 2016

**VIA U.S. MAIL,
FACSIMILE AND EMAIL**

Lanikuhana Solar, LLC
c/o Mr. Wren Wescoatt
SunEdison
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813
Email: WWescoatt@sunedison.com

Ms. Jennifer Lootens
44 Montgomery Street, Suite 2200
San Francisco, CA 94104

SunEdison, Inc.
179 Lincoln Street, Suite 500
Boston, MA 02111
Facsimile: (808) 441-4604

RE: Hema Substation Pad (Lanikuhana Solar, LLC) – Grading Issues

Dear Mr. Wescoatt and Ms. Lootens:

Reference is made to that certain Power Purchase Agreement For Renewable As-Available Energy Between Hawaiian Electric Company, Inc. ("Hawaiian Electric" or "Company") and Lanikuhana Solar, LLC, ("Lanikuhana Solar" or "Seller") dated December 3, 2014 ("PPA"). This letter represents Hawaiian Electric's response to Seller's January 4, 2016 letter ("Seller's January 4 Letter") responding to Company's December 31, 2015 letter regarding earthwork at the Hema Substation Pad.

Thank you for the Seller's January 4 Letter. While we do not agree with all of the characterizations set forth in the Seller's January 4 Letter, Hawaiian Electric appreciates your willingness to move forward with all work related to regrading earthwork at the Hema Substation Pad at Seller's expense. Please note, however, that Company's December 31, 2015 letter was sent prior to Company declaring Seller in default on January 4, 2016 ("Notice of Default"). Company also sent Seller a notice on January 4, 2016 regarding Seller's failure to meet Guaranteed Project Milestones and requesting further information from Seller as to how such milestones will be reached within the thirty (30) day cure period ("Guaranteed Project Milestone Notice"). Company has not yet received such information from Seller. As explained in the Notice of Default, Company is currently reviewing its rights and potential remedies under the PPA. Given the fact that one of Hawaiian Electric's potential remedies includes the right to terminate the PPA and Seller has yet to provide further information to Company as requested in the Guaranteed Project Milestone Notice, Company requests that Seller not move forward with the regrading at this time.

Company understands that by delaying the regrading earthwork, Company's contractor [REDACTED] may not be able to resume construction on the Hema Substation by February 12, 2016 and such delay will increase the risk of the project's ability to meet the Guaranteed Commercial Operations Date of December 31, 2016. Please note that in order for Company to complete a timely review, Company requests that Seller provide the information requested in the Guaranteed Project Milestone

Lanikuhana Solar, LLC
SunEdison, Inc.
Ms. Jennifer Lootens
Mr. Wren Wescoatt
January 5, 2016
Page 2

EXHIBIT 42
PAGE 2 OF 2

Notice immediately. Any delays to the regrading earthwork caused by Seller being in default under the PPA and Seller's failure to provide timely information regarding its ability to cure its missed Guaranteed Project Milestones and any resulting delay to the Guaranteed Commercial Operations Date set forth in the PPA will be at Seller's sole risk and responsibility, including any costs incurred by Company or its contractors due to such delay.

Given the time sensitive nature of this letter, Company requests Seller's prompt attention and response. Please contact me should you have any questions.

Sincerely,



Shelee M. T. Kimura
Vice President, Corporate Planning & Business
Development

cc: Colton Ching – Hawaiian Electric
Rodney Chong – Hawaiian Electric
Dmitri Jarocki – Hawaiian Electric
Reese Yorimoto – Hawaiian Electric
Ken Aramaki – Hawaiian Electric
Debbie Nuesca – Hawaiian Electric
Rebecca Dayhuff Matsushima – Hawaiian Electric
Andrea Wang Lucan – Sheppard Mullin for Seller

DE Shaw & Co

1166 Avenue of the Americas
Ninth Floor
New York, NY 10036

(212) 478-0000
FAX (212) 478-0100

Rodney Chong
Shelee Kimura
Hawaiian Electric Company, Inc.
900 Richards Street
Honolulu, HI 96813
January 6, 2016

Dear Rodney and Shelee:

We are writing to introduce the D. E. Shaw group as the prospective acquirer of the Mililani II, Waipio, and Kawaihoa solar projects (the "Projects") from SunEdison, Inc. As you know, each of the Projects has signed a long-term power purchase agreement ("PPA") with Hawaiian Electric Company, Inc. ("HECO"). We are also seeking (i) approval from HECO for the prospective transfer of the project companies to the D. E. Shaw group, if required under the PPAs, and (ii) a waiver from HECO of certain of its termination remedies under the PPAs.

SunEdison has shared the correspondence between the project companies and HECO over the last several days. We understand HECO's frustration with the project delays that have occurred under SunEdison's ownership prior to our involvement with the Projects. In connection with the agreement we recently executed with SunEdison, we have exerted and will continue to exert significant influence on SunEdison to work with us to bring the Projects to construction completion in 2016. The D. E. Shaw group understands and shares HECO's goals of reducing energy bills for its customers, reducing its reliance on fossil fuels, and meeting the state's 100% renewable portfolio standards. By working closely with HECO and investing in these Projects, which offer the lowest priced renewable energy ever available to Hawaii ratepayers, we hope to advance HECO's renewable goals in 2016.

By way of background, affiliates of the D. E. Shaw group and Madison Dearborn Partners ("MDP") made a majority, controlling investment in First Wind Holdings ("First Wind") in 2006. Together, the D. E. Shaw group, MDP, and First Wind developed numerous utility-scale renewable energy projects in the U.S., including four wind projects in Hawaii and the solar Projects referred to herein. After nearly 10 years as active owners of First Wind, the D. E. Shaw group and MDP sold the company to SunEdison and its affiliates in January 2015. In partial consideration of the sale, SunEdison committed to make certain milestone payments to the D. E. Shaw group and MDP and issued notes payable in 2020. In light of recent developments at SunEdison, in late December 2015, the parties restructured the notes, giving the D. E. Shaw group and MDP the right to acquire certain projects from SunEdison, including the Projects in Hawaii. The D. E. Shaw group is eager to complete development of the Projects and to reach full notice to proceed ("FNTP") as quickly as possible. To this end, we have already conducted significant due diligence on the assets over the holiday period and [REDACTED]

The D. E. Shaw group plans to acquire the Projects through its affiliate, D. E. Shaw Renewable Investments, L.L.C. ("DESRI"). DESRI is managed by the same team at the D. E. Shaw group that managed the firm's investment in First Wind, led by Managing Directors Bryan Martin and David Zwillinger (the "Team"). Since January 2012, DESRI-managed investment vehicles have acquired 15 solar projects, four wind projects, and one hybrid wind/solar project, which collectively have a capacity of more than 1,000 MW. The DESRI portfolio includes two Hawaii projects that have PPAs with HECO –

Kawailoa Wind (69 MW) and Kalaehoa Solar Two (5 MW) – providing us with deeply relevant experience developing and operating power assets with HECO. The Team will leverage its direct experience managing the Hawaii assets of both DESRI and First Wind to oversee the successful development and operation of Mililani II, Waipio, and Kawailoa Solar.

Over the last few years, DESRI has raised more than \$2 billion in equity, debt, and tax equity for its portfolio. We expect to capitalize on the extensive experience and documentation we have with major lenders and tax equity investors to finance the Hawaii Projects on an accelerated basis. [REDACTED]

[REDACTED] SunEdison to satisfy the project companies' obligations to HECO to pay the balances of the Company-Owned Interconnection Facilities Prepayment required under Attachment G of each PPA (approximately \$16.6 million) on or before January 12, 2016. [REDACTED]

[REDACTED] SunEdison is not able to arrange funding in the next few days, then DESRI would be prepared, subject to negotiation and execution of definitive loan and collateral documentation, to lend the required \$16.6 million to the project companies or their owner to enable payment to HECO next week.¹ [REDACTED]

[REDACTED] In addition, DESRI is willing to discuss with HECO increasing the portion of the state tax credit that is passed through to HECO to further reduce the effective rates paid by its customers.

[REDACTED] move construction forward on an expedited basis in order to complete the Projects prior to the Guaranteed Commercial Operation Date of December 31, 2016. By purchasing long-lead equipment, installing piles and communications infrastructure prior to FNTF, the Projects' contractors will be able to recover time lost over the past few weeks and be well positioned to begin full construction at FNTF. The extension of the federal Investment Tax Credit ("ITC") further enables our contractors and lenders to support the Projects with a COD in December 2016 (given the lower risk of losing ITCs).

We would ask that HECO (a) approve of the transfer of the Projects to DESRI, if required, and (b) forego its termination remedy for the project companies' failure (i) to make the required Company-Owned Interconnection Facilities Prepayments on or before January 1, 2016, (ii) to meet the outstanding Guaranteed Project Milestones on or prior to January 1, 2016; or, in the alternative, extend the

¹ For the avoidance of doubt, nothing herein shall constitute an offer capable of acceptance or a binding commitment of any kind. Neither DESRI nor its affiliates shall have any obligation to extend any loan or engage in any transaction unless and until definitive binding agreements are executed by the parties thereto in respect thereof.

deadlines for such Guaranteed Project Milestones.² (Please note that DESRI also expects our lenders and tax equity investors to request an estoppel or similar document confirming the same at FNTF.)

In summary, we believe DESRI is very well positioned to acquire Mililani II, Waipio, and Kawaihoa Solar from SunEdison and quickly bring these assets to financial close. We have extensive experience in the Hawaii renewable energy market and a clear understanding of HECO's expectations and goals for renewable energy generation with its stakeholders.

[signature page follows]

² While we expect to reach FNTF well before, if HECO is willing to provide an extension, we would ask that it provide such an extension or waiver of its right to terminate until March 31, 2016, for the Waipio and Mililani projects, and April 30, 2016, for the Kawaihoa project.

Please contact Bryan Martin at (212) 478-0235 or David Zwillinger at (212) 478-0213 if you have any questions or would like to discuss further at your offices in Hawaii. The D. E. Shaw group is looking forward to building on our strong relationship with HECO and seeing the Projects built and operating on the HECO grid later this year.

Best regards,

A handwritten signature in dark ink, appearing to read "Bryan Martin", written over a horizontal line.

Bryan Martin
Managing Director

A handwritten signature in dark ink, appearing to read "David Zwillinger", written over a horizontal line.

David Zwillinger
Managing Director



January 11, 2016

Waipio PV, LLC
c/o Mr. Wren Wescoatt
SunEdison
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813
Email: WWescoatt@sunedison.com

D. E. Shaw
c/o Mr. Bryan Martin & Mr. David Zwillinger
1166 Avenue of the Americas
Ninth Floor
New York, New York 10036

SunEdison, Inc.
179 Lincoln Street, Suite 500
Boston, MA 02111
Facsimile: (808) 441-4604

Ms. Jennifer Lootens
44 Montgomery Street, Suite 2200
San Francisco, CA 94104

RE: Waipio PV (formerly Waiawa PV, LLC) - Response to Request to Consent to Assignment and to forego termination rights

Dear Messrs. Wescoatt, Martin and Zwillinger and Ms. Lootens:

Hawaiian Electric Company, Inc. ("Hawaiian Electric" or "Company") is in receipt of the letter from D. E. Shaw group dated January 6, 2016 ("D. E. Shaw's Letter") and the letter from Waipio PV, LLC, formerly Waiawa PV, LLC ("Seller") dated January 7, 2016 ("Seller's Letter"). This letter serves as Hawaiian Electric's response to such letters including the requests to consent to assignment to an affiliate of D.E. Shaw under that certain Power Purchase Agreement For Renewable As-Available Energy between Hawaiian Electric and Seller dated December 3, 2014 ("PPA") and request to forego Hawaiian Electric's right to terminate the PPA or in the alternative to grant extensions to missed Guaranteed Project Milestones under the PPA.

Hawaiian Electric has reviewed D. E. Shaw's Letter and Seller's Letter and is not satisfied at this time that either D. E. Shaw or Seller have provided sufficient evidence that Seller's project will be completed on time according to the terms of the PPA. Therefore, Company reserves all of its rights under the PPA including the right to terminate the PPA pursuant to Seller's default under PPA Section 15.2(A). Company also reserves all rights under the PPA if Seller does not cure the Construction Financing Closing Milestone during the thirty (30) day cure period provided for in Section 15.2(F).

When reviewing the requests of D. E. Shaw and Seller, Hawaiian Electric must always keep the best interests of its customers in mind. The project would serve to provide Company's customers with low-cost renewable energy by the end of 2016. The waiver process, under which the PPA was negotiated and signed, was created to allow low-cost renewable energy onto Hawaiian Electric's grid as quickly as possible. Any potential delay or potential for the project not coming to fruition is a tremendous risk to Hawaiian Electric's customers. The State of Hawai'i Public Utilities Commission ("PUC") has noted the effect to Hawaiian Electric's customers when projects will potentially be delayed. In Docket No. 2010-0010 ("Honua Proceeding"), Decision and Order 31044, the PUC noted that customers face negative effects when projects experience delays as this results in a delay to when customers can receive renewable energy from an independent power producer,

potentially at a less expensive rate than may be provided using traditional fossil fuel-fired generation.¹ The PUC went on to urge Hawaiian Electric to seek other advantages for its customers when liquidated damages are waived or when significant delays may be experienced, citing as an example a reduction in energy pricing.²

In addition, to providing renewable low-cost energy to Hawaiian Electric's customers as quickly as possible, the Company desires to see renewable energy projects added to its system quickly in order to work towards the State of Hawaii's mandate of a 100% renewable portfolio standard. Therefore, Hawaiian Electric must carefully consider D. E. Shaw and Seller's ability to meet the requirements of the PPA versus Hawaiian Electric's right to terminate the PPA and opportunities to secure an alternative source of renewable energy that is able to meet such requirements as quickly as possible. Acknowledging Hawaiian Electric's obligation to complete such analysis and without waiving any of its rights under the PPA, Hawaiian Electric would consider forbearing its right to terminate the PPA if D. E. Shaw and Seller agree to the following terms:

1. Seller pays the balance of the Company-Owned Interconnection Facilities Prepayment on January 12, 2016. Company will not accept such payment as a cure of Seller's Event of Default as the cure period has run and will maintain its right to terminate the PPA. Hawaiian Electric will, however, hold such payment in a segregated interest bearing account and will not use such funds for the project. If the parties cannot agree to terms acceptable to Hawaiian Electric to waive such termination rights and move forward with the project under the PPA, these funds will be returned. Electronic transfer information for such payment is consistent with the information provided in our December 23, 2015 letter.
2. D. E. Shaw shall provide detailed information showing that the subsidiary of D. E. Shaw that will be assigned the PPA by Seller ("Assignee") has (i) a tangible net worth of \$100,000,000 or a credit rating of "BBB-" or greater and (ii) experience in the ownership of power generation facilities.
3. D. E. Shaw shall provide information regarding its plans for operation of the project, including who D. E. Shaw intends to have operate the project if Assignee will not be the operator. If there will be a third party operator, D. E. Shaw shall provide information evidencing such operator's experience operating a solar facility equivalent in size and with similar technology to the project described in the PPA.
4. While Hawaiian Electric appreciates D. E. Shaw providing letters from potential sources of debt and equity financing, such letters did not provide a guaranteed commitment of financing. D. E. shall provide a firm commitment or other evidence confirming that D. E. Shaw can in fact secure financing for the project in the time frame proposed by D.E. Shaw.
5. D. E. Shaw and/or Seller must agree to make significant concessions under the PPA to provide Hawaiian Electric's customers a sufficient benefit for taking on the risk of

¹ Docket No. 2010-0010, Decision and Order 31044 at 10.

² *Id.* at 11.

moving forward with the project despite Seller's failures to meet the requirements of the PPA. Hawaiian Electric is aware that D. E. Shaw has offered to increase the amount of the State of Hawai'i tax credit that is required to be credited against the energy price under the PPA. While Hawaiian Electric appreciates D. E. Shaw's willingness to come to the table to discuss concessions, Hawaiian Electric does not feel that an increase in the tax credit is a sufficient concession. The amount of tax credit is dependent on Assignee's tax position in the State of Hawai'i among other factors. Until the project is closer to the commercial operations date it will be impossible to quantify the amount of tax credit available to Assignee and therefore the benefit of such concession to Hawaiian Electric's customers is unknown. Further, the PPA provided for a retention of 10% of the State of Hawai'i tax credit by the Seller under the PPA in order to incentivize the Seller to maximize the amount of such credit. Eliminating such retention may provide a disincentive to Assignee from maximizing such credit and therefore decrease benefits to Hawaiian Electric's customers under the PPA. Therefore, Company would expect a tangible quantifiable benefit to Company's customers such as a reduction in PPA price. This would also help to justify Company's waiver of any termination rights to the PUC.

The Company notes that in the PUC's decision and order approving the PPA, the PUC stated that the pricing was more than triple the costs for similar renewable energy projects on the mainland citing to projects in Nevada for \$46/MWh and \$38.70/MWh and signaling the PUC's concern that the projects are priced too high.³ Hawaiian Electric also notes that its subsidiary, Maui Electric, recently signed two PPAs for solar energy on Maui with prices of \$110.60/MWh. In consideration of the PUC's statements in the Honua proceeding, the order approving the PPA, and pricing for recently secured solar energy in Hawai'i, Hawaiian Electric finds it imperative that D. E. Shaw and Seller agree to a reduction in price in order to justify Company waiving its termination rights under the PPA. In addition, the Company requests that D. E. Shaw and SunEdison agree to the removal of the take-or-pay provisions in the PPA and that the Seller/Assignee take on all risk of curtailment under the PPA, further reducing this risk to Hawaiian Electric's customers under the PPA in exchange for taking on the risk that the project may not be completed given the recent performance of Seller.

6. D. E. Shaw, Seller and Hawaiian Electric must agree to revised PPA terms and D. E. Shaw must provide all information requested in this letter by February 1, 2016. The parties shall execute an amendment to the PPA by February 1, 2016. If the parties are unable to reach agreement and execute an amendment to the PPA by such date, Hawaiian Electric will immediately exercise its rights to terminate the PPA.
7. Any amendment to the PPA will require PUC approval. The parties will agree to work together to file for such approval in a timely manner.
8. The purchase and sale transaction between D. E. Shaw and Seller's parent company SunEdison must be completed. If such transaction is terminated, Hawaiian Electric will immediately exercise its rights to terminate the PPA.

³ Docket No. 2014-0359, Decision and Order 33038 at 43-44, fn. 56.

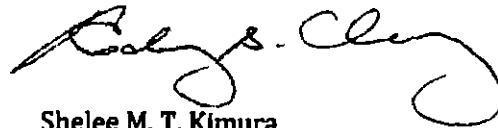
Waipio PV, LLC
D. E. Shaw
January 11, 2016
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If D. E. Shaw and SunEdison are amenable to the conditions set forth in this letter, Hawaiian Electric will consider forbearing its rights to terminate the PPA and to meeting with D. E. Shaw and Seller to discuss concessions subject to all applicable third-party consents.

Thank you for your attention to this matter. If D. E. Shaw and SunEdison are willing to move forward as proposed and provide the Balance of the Company-Owned Interconnection Facilities Prepayment on January 12, 2016 please provide notice to Hawaiian Electric of your availability to meet to discuss the concessions discussed above.

Sincerely,



for

Shelee M. T. Kimura
Vice President, Corporate Planning &
Business Development

cc: Rodney Chong - Hawaiian Electric
Dmitri Jarocki - Hawaiian Electric
Reese Yorimoto - Hawaiian Electric
Ken Aramaki - Hawaiian Electric
Debbie Nuesca - Hawaiian Electric
Rebecca Dayhuff Matsushima - Hawaiian Electric
Andrea Wang Lucan - Sheppard Mullin for Waipio PV



January 11, 2016

Lanikuana Solar, LLC
c/o Mr. Wren Wescoatt
SunEdison
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813
Email: WWescoatt@sunedison.com

D. E. Shaw
c/o Mr. Bryan Martin & Mr. David Zwilling
1166 Avenue of the Americas
Ninth Floor
New York, New York 10036

SunEdison, Inc.
179 Lincoln Street, Suite 500
Boston, MA 02111
Facsimile: (808) 441-4604

Ms. Jennifer Lootens
44 Montgomery Street, Suite 2200
San Francisco, CA 94104

RE: Lanikuhana Solar, LLC – Response to Request to Consent to Assignment and to forego termination rights

Dear Messrs. Wescoatt, Martin and Zwilling and Ms. Lootens:

Hawaiian Electric Company, Inc. ("Hawaiian Electric" or "Company") is in receipt of the letter from D. E. Shaw group dated January 6, 2016 ("D. E. Shaw's Letter") and the letter from Lanikuhana Solar, LLC ("Seller") dated January 7, 2016 ("Seller's Letter"). This letter serves as Hawaiian Electric's response to such letters including the requests to consent to assignment to an affiliate of D.E. Shaw under that certain Power Purchase Agreement For Renewable As-Available Energy between Hawaiian Electric and Seller dated December 3, 2014 ("PPA") and request to forego Hawaiian Electric's right to terminate the PPA or in the alternative to grant extensions to missed Guaranteed Project Milestones under the PPA.

Hawaiian Electric has reviewed D. E. Shaw's Letter and Seller's Letter and is not satisfied at this time that either D. E. Shaw or Seller have provided sufficient evidence that Seller's project will be completed on time according to the terms of the PPA. Therefore, Company reserves all of its rights under the PPA including the right to terminate the PPA pursuant to Seller's default under PPA Section 15.2(A). Company also reserves all rights under the PPA if Seller does not cure the Construction Financing Closing Milestone during the thirty (30) day cure period provided for in Section 15.2(F).

When reviewing the requests of D. E. Shaw and Seller, Hawaiian Electric must always keep the best interests of its customers in mind. The project would serve to provide Company's customers with low-cost renewable energy by the end of 2016. The waiver process, under which the PPA was negotiated and signed, was created to allow low-cost renewable energy onto Hawaiian Electric's grid as quickly as possible. Any potential delay or potential for the project not coming to fruition is a tremendous risk to Hawaiian Electric's customers. The State of Hawai'i Public Utilities Commission ("PUC") has noted the effect to Hawaiian Electric's customers when projects will potentially be delayed. In Docket No. 2010-0010 ("Honua Proceeding"), Decision and Order 31044, the PUC noted that customers face negative effects when projects experience delays as this results in a delay to when customers can receive renewable energy from an independent power producer,

potentially at a less expensive rate than may be provided using traditional fossil fuel-fired generation.¹ The PUC went on to urge Hawaiian Electric to seek other advantages for its customers when liquidated damages are waived or when significant delays may be experienced, citing as an example a reduction in energy pricing.²

In addition, to providing renewable low-cost energy to Hawaiian Electric's customers as quickly as possible, the Company desires to see renewable energy projects added to its system quickly in order to work towards the State of Hawaii's mandate of a 100% renewable portfolio standard. Therefore, Hawaiian Electric must carefully consider D. E. Shaw and Seller's ability to meet the requirements of the PPA versus Hawaiian Electric's right to terminate the PPA and opportunities to secure an alternative source of renewable energy that is able to meet such requirements as quickly as possible. Acknowledging Hawaiian Electric's obligation to complete such analysis and without waiving any of its rights under the PPA, Hawaiian Electric would consider forbearing its right to terminate the PPA if D. E. Shaw and Seller agree to the following terms:

1. Seller pays the balance of the Company-Owned Interconnection Facilities Prepayment on January 12, 2016. Company will not accept such payment as a cure of Seller's Event of Default as the cure period has run and will maintain its right to terminate the PPA. Hawaiian Electric will, however, hold such payment in a segregated interest bearing account and will not use such funds for the project. If the parties cannot agree to terms acceptable to Hawaiian Electric to waive such termination rights and move forward with the project under the PPA, these funds will be returned. Electronic transfer information for such payment is consistent with the information provided in our December 23, 2015 letter.
2. D. E. Shaw shall provide detailed information showing that the subsidiary of D. E. Shaw that will be assigned the PPA by Seller ("Assignee") has (i) a tangible net worth of \$100,000,000 or a credit rating of "BBB-" or greater and (ii) experience in the ownership of power generation facilities.
3. D. E. Shaw shall provide information regarding its plans for operation of the project, including who D. E. Shaw intends to have operate the project if Assignee will not be the operator. If there will be a third party operator, D. E. Shaw shall provide information evidencing such operator's experience operating a solar facility equivalent in size and with similar technology to the project described in the PPA.
4. While Hawaiian Electric appreciates D. E. Shaw providing letters from potential sources of debt and equity financing, such letters did not provide a guaranteed commitment of financing. D. E. shall provide a firm commitment or other evidence confirming that D. E. Shaw can in fact secure financing for the project in the time frame proposed by D.E. Shaw.
5. D. E. Shaw and/or Seller must agree to make significant concessions under the PPA to provide Hawaiian Electric's customers a sufficient benefit for taking on the risk of

¹ Docket No. 2010-0010, Decision and Order 31044 at 10.

² *Id.* at 11.

moving forward with the project despite Seller's failures to meet the requirements of the PPA. Hawaiian Electric is aware that D. E. Shaw has offered to increase the amount of the State of Hawai'i tax credit that is required to be credited against the energy price under the PPA. While Hawaiian Electric appreciates D. E. Shaw's willingness to come to the table to discuss concessions, Hawaiian Electric does not feel that an increase in the tax credit is a sufficient concession. The amount of tax credit is dependent on Assignee's tax position in the State of Hawai'i among other factors. Until the project is closer to the commercial operations date it will be impossible to quantify the amount of tax credit available to Assignee and therefore the benefit of such concession to Hawaiian Electric's customers is unknown. Further, the PPA provided for a retention of 10% of the State of Hawai'i tax credit by the Seller under the PPA in order to incentivize the Seller to maximize the amount of such credit. Eliminating such retention may provide a disincentive to Assignee from maximizing such credit and therefore decrease benefits to Hawaiian Electric's customers under the PPA. Therefore, Company would expect a tangible quantifiable benefit to Company's customers such as a reduction in PPA price. This would also help to justify Company's waiver of any termination rights to the PUC.

The Company notes that in the PUC's decision and order approving the PPA, the PUC stated that the pricing was more than triple the costs for similar renewable energy projects on the mainland citing to projects in Nevada for \$46/MWh and \$38.70/MWh and signaling the PUC's concern that the projects are priced too high.³ Hawaiian Electric also notes that its subsidiary, Maui Electric, recently signed two PPAs for solar energy on Maui with prices of \$110.60/MWh. In consideration of the PUC's statements in the Honua proceeding, the order approving the PPA, and pricing for recently secured solar energy in Hawai'i, Hawaiian Electric finds it imperative that D. E. Shaw and Seller agree to a reduction in price in order to justify Company waiving its termination rights under the PPA. In addition, the Company requests that D. E. Shaw and SunEdison agree to the removal of the take-or-pay provisions in the PPA and that the Seller/Assignee take on all risk of curtailment under the PPA, further reducing this risk to Hawaiian Electric's customers under the PPA in exchange for taking on the risk that the project may not be completed given the recent performance of Seller.

6. D. E. Shaw, Seller and Hawaiian Electric must agree to revised PPA terms and D. E. Shaw must provide all information requested in this letter by February 1, 2016. The parties shall execute an amendment to the PPA by February 1, 2016. If the parties are unable to reach agreement and execute an amendment to the PPA by such date, Hawaiian Electric will immediately exercise its rights to terminate the PPA.
7. Any amendment to the PPA will require PUC approval. The parties will agree to work together to file for such approval in a timely manner.
8. The purchase and sale transaction between D. E. Shaw and Seller's parent company SunEdison must be completed. If such transaction is terminated, Hawaiian Electric will immediately exercise its rights to terminate the PPA.

³ Docket No. 2014-0359, Decision and Order 33038 at 43-44, fn. 56.

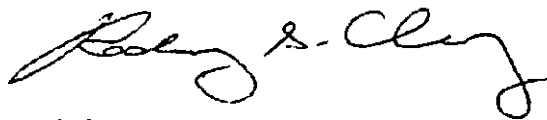
Lanikuhana Solar, LLC
D. E. Shaw
January 11, 2016
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If D. E. Shaw and SunEdison are amenable to the conditions set forth in this letter, Hawaiian Electric will consider forbearing its rights to terminate the PPA and to meeting with D. E. Shaw and Seller to discuss concessions subject to all applicable third-party consents.

Thank you for your attention to this matter. If D. E. Shaw and SunEdison are willing to move forward as proposed and provide the Balance of the Company-Owned Interconnection Facilities Prepayment on January 12, 2016 please provide notice to Hawaiian Electric of your availability to meet to discuss the concessions discussed above.

Sincerely,



for

Shelee M. T. Kimura
Vice President, Corporate Planning &
Business Development

cc: Rodney Chong - Hawaiian Electric
Dmitri Jarocki - Hawaiian Electric
Reese Yorimoto - Hawaiian Electric
Ken Aramaki - Hawaiian Electric
Debbie Nuesca - Hawaiian Electric
Rebecca Dayhuff Matsushima - Hawaiian Electric
Andrea Wang Lucan - Sheppard Mullin for Lanikuhana Solar

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January 22, 2016

**VIA U.S. MAIL,
FACSIMILE AND EMAIL**

Waipio PV, LLC
c/o Mr. Wren Wescoatt
SunEdison
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813
Email: WWescoatt@sunedison.com

D. E. Shaw
c/o Mr. Bryan Martin & Mr. David Zwillinger
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Email: David.Zwillinger@deshaw.com
Email: Bryan.Martin@deshaw.com

SunEdison, Inc.
179 Lincoln Street, Suite 500
Boston, MA 02111
Facsimile: (808) 441-4604

Ms. Jennifer Lootens
44 Montgomery Street, Suite 2200
San Francisco, CA 94104
Email: JLootens@sunedison.com

**RE: Response to Seller's Default Resolution Proposal; Project Status; and Next Steps for
Waipio PV, LLC**

Dear Messrs. Wescoatt, Martin and Zwillinger and Ms. Lootens:

Hawaiian Electric Company, Inc. ("Hawaiian Electric" or "Company") appreciates the D. E. Shaw group ("D. E. Shaw") and SunEdison, on behalf of Waipio PV, LLC ("Seller"), taking the time to meet with us on January 20, 2016, to explain first hand D. E. Shaw and Seller's plans for moving the Waipio PV project ("Project") forward. This letter represents Hawaiian Electric's response to D. E. Shaw and Seller's proposal regarding foregoing certain of Company's rights under the Power Purchase Agreement For Renewable As-Available Energy Between Hawaiian Electric and Seller dated December 3, 2014 ("PPA").

As previously noted by Hawaiian Electric, Seller has not performed as required under the PPA. Seller failed to make the balance of the Company-Owned Interconnection Facilities Prepayment¹ when due and also failed to make such payment within the cure period provided for under the PPA. Further, Seller failed to meet two Guaranteed Project Milestones. While Seller did cure one missed milestone within the time provided for under the PPA, Seller has yet to cure the Construction Financing Closing Milestone and has indicated, along with D. E. Shaw, that such failure will not be corrected within the 30 day cure period provided for under the PPA.

Seller and D. E. Shaw are now asking Company to forego its rights to certain remedies under the PPA, including termination, and to allow Seller and/or D. E. Shaw until March 15, 2016, to cure such failures, therefore placing additional risk on Hawaiian Electric's customers beyond the original risk profile agreed to at the time of executing the PPA. If Hawaiian Electric agrees to forebear its rights to terminate the PPA, Hawaiian Electric's customers must accept a greater risk that the Project will never be completed or continue to be delayed, thereby losing an opportunity to replace the Project with

¹ All terms used but not defined herein shall have the meaning set forth in the PPA.

alternative sources of low, or lower cost, renewable energy as quickly as possible. Therefore, Hawaiian Electric will only agree to forebear its right to terminate the PPA at this time in exchange for concessions that benefit Hawaiian Electric's customers to adequately compensate these customers for bearing a greater risk under the PPA than previously negotiated between the parties and approved by the State of Hawai'i Public Utilities Commission ("PUC"). While Seller and D. E. Shaw have offered to increase the amount of Hawai'i State tax credit that is passed through to Hawaiian Electric's customers and to reduce the PPA price for energy by one half of a cent per kilowatt-hour if the Guaranteed Commercial Operations Date is not met, these concessions are not sufficient to justify the additional risks borne by the Company's customers. As previously explained, the Seller was to retain 10% of the State tax credit in order to incentivize the Seller to maximize the value of the State tax credit. Foregoing all of this credit eliminates any incentive to D. E. Shaw and/or SunEdison to maximize this credit. Further, D. E. Shaw has failed to provide any information regarding the amount it estimates it will receive in a State tax credit and therefore, Hawaiian Electric is unable to determine if its customers will be receiving the same, greater or less benefit than they would receive if SunEdison were the owner of the Project. Increasing the amount of the State tax credit passed through to the Company's customers also may require PUC approval of a PPA amendment, which the Seller and D.E. Shaw have indicated is an unacceptable approach. The alternate reduction to the energy price offered would only be realized if the Project does not meet the Guaranteed Commercial Operations Date and does not provide any compensation to Hawaiian Electric's customers for taking on the additional risk if the project fails to achieve Commercial Operations altogether. In addition, such a price reduction would require PUC approval, and waiting to request such approval until after the Project is built is not acceptable to Company as this may be perceived negatively by the PUC as an attempt to subvert their authority as it would be problematic for the PUC to not approve a price reduction once the Project is built and in service.

Instead, based on the foregoing and further explained below, Company sets the following conditions and concessions that must be agreed to no later than Monday, January 25, 2016, and met by Seller and D. E. Shaw no later than Monday, February 1, 2016, in exchange for Hawaiian Electric's agreement to forebear its rights under the PPA until March 15, 2016.

Hawaiian Electric's Conditions for Agreeing to Forebear Termination Rights

1. By February 1, 2016, Seller and/or D. E. Shaw shall place \$2,400,000 into an escrow account. This amount represents the approximate net present value of the benefit Hawaiian Electric's customers expect to receive on average for one year of operations, as calculated using the Reference Fuel Cost scenario of the Avoided Cost Analysis filed in the Company's Supplemental Statement of Position in support of PUC approval of the PPA.² The escrow agreement shall be agreed to between the parties and shall provide that Hawaiian Electric has the right to access the funds on January 1, 2017. If the Project does not achieve the Commercial Operations Date by the Guaranteed Commercial Operations Date of December 31, 2016, Company shall remove the full amount of funds from the escrow and provide these funds to its customers through the Company's purchased power adjustment clause. These funds, along with any other damages due under the PPA, would compensate

² See Supplemental Statement of Position of Hawaiian Electric Company, Inc filed in Docket No. 2014-0359 on June 12, 2015.

Hawaiian Electric's customers for the benefits they would have received if the Project had achieved Commercial Operations as required under the PPA. If the Project does achieve the Guaranteed Commercial Operations Date, then Hawaiian Electric shall remove the funds on a pro rata basis for the first 12 months after Commercial Operations and apply the funds to amounts due by Hawaiian Electric under the PPA as a credit to invoices from Seller for energy payments therefore reducing the amount of expense passed through to Hawaiian Electric's customers. This will provide a benefit to customers for assuming the risk of forbearing termination. As placing funds in escrow does not result in a change to the price of energy set forth in the PPA and can be accomplished through a side agreement, Hawaiian Electric believes it can present this to the PUC as a notice filing and not request formal PUC approval. Seller and D. E. Shaw, however, should be aware that the PUC may determine that its approval is required.

2. By February 1, 2016, in lieu of agreeing to pass through a greater amount of Hawai'i State tax credit under the PPA, which may require a PPA Amendment, D. E. Shaw and Seller will agree to pay \$2,300,000 directly to Hawaiian Electric for the benefit of its customers on the Commercial Operations Date. This amount is approximately equivalent to the to the additional 10% value of the State tax credit previously offered to be passed through to Hawaiian Electric's customers, as calculated using the assumptions and methodologies contained in the draft Summary of Hawaii State Tax Credits Related to Waipio PV, as prepared by Ernst and Young, the Independent Tax Expert agreed to by the Parties as required under Attachment J of the PPA. In addition to the 90% of the State tax credit to be passed through under the PPA, this payment will provide Hawaiian Electric's customers a commensurate benefit to passing through 100% of the State tax credit as an offset to amounts due to Seller under the PPA.
3. By February 1, 2016, as previously requested, D. E. Shaw shall provide detailed information showing that the subsidiary of D. E. Shaw that will be assigned the PPA by Seller ("Assignee") has (i) a tangible net worth of \$100,000,000 or a credit rating of "BBB-" or greater and (ii) experience in the ownership of power generation facilities. This information is required under Section 1(e) of Attachment P of the PPA in order for D. E. Shaw to take assignment of the PPA from SunEdison without formal consent from Hawaiian Electric.
4. By February 1, 2016, as previously requested, D. E. Shaw shall provide information regarding its plans for operation of the project, including who D. E. Shaw intends to have operate the project if D. E. Shaw will not be the operator. If there will be a third party operator, D. E. Shaw shall provide information evidencing such operator's experience operating a solar facility equivalent in size and with similar technology to the project described in the PPA.
5. By February 1, 2016, as previously requested, D. E. Shaw shall provide a firm commitment or other evidence confirming that D. E. Shaw can in fact secure financing for the project in the time frame proposed by D.E. Shaw.
6. By March 15, 2016, D. E. Shaw and/or Seller shall complete the Construction Financing Closing Milestone.

7. The purchase and sale transaction between D. E. Shaw and Seller's parent company SunEdison must be completed no later than March 15, 2016, as D. E. Shaw must be deemed the "Seller" under the PPA in order for its financing to be considered satisfactory to meet the Construction Financing Closing Milestone. If such transaction is terminated at any time beforehand, Hawaiian Electric will immediately exercise its rights to terminate the PPA.
8. By February 1, 2016, Seller, D. E. Shaw and Hawaiian Electric shall confirm the above conditions and commitments in a written agreement. Such agreement shall include agreement by D. E. Shaw and Seller to waive any claims Seller and/or D. E. Shaw may have against Hawaiian Electric for any delay in meeting the Guaranteed Commercial Operations Date.

If Seller and D. E. Shaw fail to meet any of the above conditions, Hawaiian Electric will immediately exercise its rights to terminate the PPA. Agreeing to such terms is not a waiver by Hawaiian Electric of any of its rights under the PPA, including its immediate right to terminate the PPA.

Project and Interconnection Facility Construction

While the parties have not yet reached agreement regarding these matters, and therefore Hawaiian Electric at this time is not willing to agree to forebear its termination rights under the PPA, the Company does recognize that any further delay in work may jeopardize the Project schedule and meeting the December 31, 2016 Guaranteed Commercial Operations Date. Further, Seller and D.E. Shaw have indicated that seeking PUC approval of a PPA amendment that would (among other requests) possibly extend the Guaranteed Commercial Operations Date is unacceptable. Therefore, Hawaiian Electric is willing to allow Seller to move forward with the regrading earthwork subject to the terms for such work set forth below. However, given the fact that one of Hawaiian Electric's potential remedies includes the right to terminate the PPA, please be advised that any costs that Seller incurs at this point and going forward shall be incurred at Seller's sole risk and obligation.

In Seller's January 4, 2016, letter to Company regarding the regrading earthwork ("January 4 Letter"), Seller has indicated that the regrading earthwork will be done by [REDACTED] in accordance with all specifications provided in the [REDACTED] Subsurface Investigation Report dated March 11, 2015, prepared for Akau Substation (Koa Ridge) site ("Final Geotechnical Report"), which was originally provided to Seller on March 26, 2015. Seller is responsible for providing this report to [REDACTED]. Additionally, Seller has directed Company to retain [REDACTED] to perform the observation, monitoring, testing, and produce the final grading report to Company. [REDACTED] has confirmed that they will be available for the duration of the Akau substation regrading earthwork. [REDACTED] report will be applicable for the Company pad only, since that will be the extent of [REDACTED] observation. The observation of the remainder of the site will need to be covered under a different report, which will be provided by Seller. Company will provide [REDACTED] report to Seller for the purpose of closing out the grading permit for the Company pad portion of the site. Seller also agrees that during the grading observations, [REDACTED] will provide Seller and [REDACTED] with recommendations that are in accordance with the Final Geotechnical Report as well as recommendations that include but are not limited to,

grading that may extend to the Seller's facility (pad), existing irrigation lines, and maintaining the retaining wall.

As indicated on the Grading Permit ("Permit Number GP2015-09-0461"), fill on the Akau Substation pad may be obtained from two sources. The seller will indicate the source of any offsite import for geotechnical and environmental purposes, prior to fill placement. If the import originated from another site and will be used as final fill material, Seller shall provide documentation that this is the case and soil characterization samples will need to be taken.

Separate soil sampling is also required by [REDACTED] at least 4 days prior to regrading. Accordingly, Company requests Seller's immediate consent and authority for [REDACTED] to conduct such sampling on Monday, January 25, 2016, in order to meet the deadlines explained below. [REDACTED] grading recommendation will be based on the test results of these soil samples and a minimum of four (4) days are required to complete the testing and compile the results. In a meeting between the parties on January 5, 2016, Seller agreed to assist Company or [REDACTED] in gathering these samples no later than four (4) days before grading activities commence. Upon completion of the regrading earthwork, Seller is responsible for providing the Company with data similar to what was previously provided, by a licensed surveyor. The new data from the licensed surveyor will confirm that the new rough grading operation was completed pursuant to the grading permit plans prior to handing the site over to Company by providing staked coordinates and elevations.

Further, Company requires the [REDACTED] regrading earthwork schedule and work plan by January 25, 2016, to be reviewed by Company and consultants. Assuming [REDACTED] is permitted to complete its sampling on January 25th as requested, Seller shall be responsible to schedule a meeting no later than Friday, January 29, 2016, prior to the regrading earthwork, with all parties involved to ensure that there will be no future misunderstandings or miscommunication of the regrading earthwork for the Akau substation pad.

The Seller's regrading earthwork for the Akau Substation must be completed by February 15, 2016, in order for Hawaiian Electric and its contractor to begin work on the Akau Substation on February 16, 2016. If Hawaiian Electric's work cannot begin on February 16, 2016, Company cannot confirm that it will be able to complete its work in order for Seller to achieve commercial operations by December 31, 2016. Seller and D. E. Shaw understand that Seller's failure to make the balance of the Company-Owned Interconnection Facilities Prepayment on time and the failure to complete the Construction Financing Closing Milestone may have already resulted in delays that may result in a failure to meet the December 31, 2016, Guaranteed Commercial Operations Date. Accordingly, as noted above, Seller and D. E. Shaw must agree to waive any claims against Hawaiian Electric for such failure.

If Seller and D. E. Shaw are agreeable to the conditions set forth in this letter, please notify us immediately but no event later than Monday, January 25, 2016 (so that Company can notify and mobilize its contractors) and, subject to all applicable third party consents, the parties can work together to document the agreement. Please contact me should you have any questions.

Sincerely,



Shelee M. T. Kimura
Vice President, Corporate Planning & Business
Development

cc: Colton Ching – Hawaiian Electric
Rodney Chong – Hawaiian Electric
Dmitri Jarocki – Hawaiian Electric
Reese Yorimoto – Hawaiian Electric
Ken Aramaki – Hawaiian Electric
Debbie Nuesca – Hawaiian Electric
Rebecca Dayhuff Matsushima – Hawaiian Electric
Kevin Oda – Hawaiian Electric



January 22, 2016

**VIA U.S. MAIL,
FACSIMILE AND EMAIL**

Lanikuhana Solar, LLC
c/o Mr. Wren Wescoatt
SunEdison
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813
Email: WWescoatt@sunedison.com

D. E. Shaw
c/o Mr. Bryan Martin & Mr. David Zwillinger
1166 Avenue of the Americas
Ninth Floor
New York, New York 10036
Email: David.Zwillinger@deshaw.com
Email: Bryan.Martin@deshaw.com

SunEdison, Inc.
179 Lincoln Street, Suite 500
Boston, MA 02111
Facsimile: (808) 441-4604

Ms. Jennifer Lootens
44 Montgomery Street, Suite 2200
San Francisco, CA 94104
Email: JLootens@sunedison.com

**RE: Response to Seller's Default Resolution Proposal; Project Status; and Next Steps for
Lanikuhana Solar, LLC**

Dear Messrs. Wescoatt, Martin and Zwillinger and Ms. Lootens:

Hawaiian Electric Company, Inc. ("Hawaiian Electric" or "Company") appreciates the D. E. Shaw group ("D. E. Shaw") and SunEdison, on behalf of Lanikuhana Solar, LLC ("Seller"), taking the time to meet with us on January 20, 2016, to explain first hand D. E. Shaw and Seller's plans for moving the Mililani II project ("Project") forward. This letter represents Hawaiian Electric's response to D. E. Shaw and Seller's proposal regarding foregoing certain of Company's rights under the Power Purchase Agreement For Renewable As-Available Energy Between Hawaiian Electric and Seller dated December 3, 2014 ("PPA").

As previously noted by Hawaiian Electric, Seller has not performed as required under the PPA. Seller failed to make the balance of the Company-Owned Interconnection Facilities Prepayment¹ when due and also failed to make such payment within the cure period provided for under the PPA. Further, Seller failed to meet two Guaranteed Project Milestones. While Seller did cure one missed milestone within the time provided for under the PPA, Seller has yet to cure the Construction Financing Closing Milestone and has indicated, along with D. E. Shaw, that such failure will not be corrected within the 30 day cure period provided for under the PPA.

Seller and D. E. Shaw are now asking Company to forego its rights to certain remedies under the PPA, including termination, and to allow Seller and/or D. E. Shaw until March 15, 2016, to cure such failures, therefore placing additional risk on Hawaiian Electric's customers beyond the original risk profile agreed to at the time of executing the PPA. If Hawaiian Electric agrees to forebear its rights to terminate the PPA, Hawaiian Electric's customers must accept a greater risk that the Project will never

¹ All terms used but not defined herein shall have the meaning set forth in the PPA.

be completed, or continue to be delayed, thereby losing an opportunity to replace the Project with alternative sources of low, or lower cost, renewable energy as quickly as possible. Therefore, Hawaiian Electric will only agree to forebear its right to terminate the PPA at this time in exchange for concessions that benefit Hawaiian Electric's customers to adequately compensate these customers for bearing a greater risk under the PPA than previously negotiated between the parties and approved by the State of Hawai'i Public Utilities Commission ("PUC"). While Seller and D. E. Shaw have offered to increase the amount of Hawai'i State tax credit that is passed through to Hawaiian Electric's customers and to reduce the PPA price for energy by one half of a cent per kilowatt-hour if the Guaranteed Commercial Operations Date is not met, these concessions are not sufficient to justify the additional risks borne by the Company's customers. As previously explained, the Seller was to retain 10% of the State tax credit in order to incentivize the Seller to maximize the value of the State tax credit. Foregoing all of this credit eliminates any incentive to D. E. Shaw and/or SunEdison to maximize this credit. Further, D. E. Shaw has failed to provide any information regarding the amount it estimates it will receive in a State tax credit and therefore, Hawaiian Electric is unable to determine if its customers will be receiving the same, greater or less benefit than they would receive if SunEdison were the owner of the Project. Increasing the amount of the State tax credit passed through to the Company's customers also may require PUC approval of a PPA amendment, which the Seller and D.E. Shaw have indicated is an unacceptable approach. The alternate reduction to the energy price offered would only be realized if the Project does not meet the Guaranteed Commercial Operations Date and does not provide any compensation to Hawaiian Electric's customers for taking on the additional risk if the project fails to achieve Commercial Operations altogether. In addition, such a price reduction would require PUC approval, and waiting to request such approval until after the Project is built is not acceptable to Company as this may be perceived negatively by the PUC as an attempt to subvert their authority as it would be problematic for the PUC to not approve a price reduction once the Project is built and in service.

Instead, based on the foregoing and further explained below, Company sets the following conditions and concessions that must be agreed to no later than Monday, January 25, 2016, and met by Seller and D. E. Shaw no later than Monday, February 1, 2016, in exchange for Hawaiian Electric's agreement to forebear its rights under the PPA until March 15, 2016.

Hawaiian Electric's Conditions for Agreeing to Forebear Termination Rights

1. By February 1, 2016, Seller and/or D. E. Shaw shall place \$700,000 into an escrow account. This amount represents the approximate net present value of the benefit Hawaiian Electric's customers expect to receive on average for one year of operations, as calculated using the Reference Fuel Cost scenario of the Avoided Cost Analysis filed in the Company's Supplemental Statement of Position in support of PUC approval of the PPA.² The escrow agreement shall be agreed to between the parties and shall provide that Hawaiian Electric has the right to access the funds on January 1, 2017. If the Project does not achieve the Commercial Operations Date by the Guaranteed Commercial Operations Date of December 31, 2016, Company shall remove the full amount of funds from the escrow and provide these funds to its customers through the Company's purchased power adjustment clause.

² See Supplemental Statement of Position of Hawaiian Electric Company, Inc. filed in Docket No. 2014-0357 on June 12, 2015.

- These funds, along with any other damages due under the PPA, would compensate Hawaiian Electric's customers for the benefits they would have received if the Project had achieved Commercial Operations as required under the PPA. If the Project does achieve the Guaranteed Commercial Operations Date, then Hawaiian Electric shall remove the funds on a pro rata basis for the first 12 months after Commercial Operations and apply the funds to amounts due by Hawaiian Electric under the PPA as a credit to invoices from Seller for energy payments therefore reducing the amount of expense passed through to Hawaiian Electric's customers. This will provide a benefit to customers for assuming the risk of forbearing termination. As placing funds in escrow does not result in a change to the price of energy set forth in the PPA and can be accomplished through a side agreement, Hawaiian Electric believes it can present this to the PUC as a notice filing and not request formal PUC approval. Seller and D. E. Shaw, however, should be aware that the PUC may determine that its approval is required.
2. By February 1, 2016, in lieu of agreeing to pass through a greater amount of Hawai'i State tax credit under the PPA, which may require a PPA Amendment, D. E. Shaw and Seller will agree to pay \$700,000 directly to Hawaiian Electric for the benefit of its customers on the Commercial Operations Date. This amount is approximately equivalent to the to the additional 10% value of the State tax credit previously offered to be passed through to Hawaiian Electric's customers, as calculated using the assumptions and methodologies contained in the draft Summary of Hawaii State Tax Credits Related to Lanikuhana Solar, as prepared by Ernst and Young, the Independent Tax Expert agreed to by the Parties as required under Attachment J of the PPA. In addition to the 90% of the State tax credit to be passed through under the PPA, this payment will provide Hawaiian Electric's customers a commensurate benefit to passing through 100% of the State tax credit as an offset to amounts due to Seller under the PPA.
 3. By February 1, 2016, as previously requested, D. E. Shaw shall provide detailed information showing that the subsidiary of D. E. Shaw that will be assigned the PPA by Seller ("Assignee") has (i) a tangible net worth of \$100,000,000 or a credit rating of "BBB-" or greater and (ii) experience in the ownership of power generation facilities. This information is required under Section 1(e) of Attachment P of the PPA in order for D. E. Shaw to take assignment of the PPA from SunEdison without formal consent from Hawaiian Electric.
 4. By February 1, 2016, as previously requested, D. E. Shaw shall provide information regarding its plans for operation of the project, including who D. E. Shaw intends to have operate the project if D. E. Shaw will not be the operator. If there will be a third party operator, D. E. Shaw shall provide information evidencing such operator's experience operating a solar facility equivalent in size and with similar technology to the project described in the PPA.
 5. By February 1, 2016, as previously requested, D. E. Shaw shall provide a firm commitment or other evidence confirming that D. E. Shaw can in fact secure financing for the project in the time frame proposed by D.E. Shaw.

6. By March 15, 2016, D. E. Shaw and/or Seller shall complete the Construction Financing Closing Milestone.
7. The purchase and sale transaction between D. E. Shaw and Seller's parent company SunEdison must be completed no later than March 15, 2016, as D. E. Shaw must be deemed the "Seller" under the PPA in order for its financing to be considered satisfactory to meet the Construction Financing Closing Milestone. If such transaction is terminated at any time beforehand, Hawaiian Electric will immediately exercise its rights to terminate the PPA.
8. By February 1, 2016, Seller, D. E. Shaw and Hawaiian Electric shall confirm the above conditions and commitments in a written agreement. Such agreement shall include agreement by D. E. Shaw and Seller to waive any claims Seller and/or D. E. Shaw may have against Hawaiian Electric for any delay in meeting the Guaranteed Commercial Operations Date.

If Seller and D. E. Shaw fail to meet any of the above conditions, Hawaiian Electric will immediately exercise its rights to terminate the PPA. Agreeing to such terms is not a waiver by Hawaiian Electric of any of its rights under the PPA, including its immediate right to terminate the PPA.

Project and Interconnection Facility Construction

While the parties have not yet reached agreement regarding these matters, and therefore Hawaiian Electric at this time is not willing to agree to forebear its termination rights under the PPA, the Company does recognize that any further delay in work may jeopardize the Project schedule and meeting the December 31, 2016 Guaranteed Commercial Operations Date. Further, Seller and D.E. Shaw have indicated that seeking PUC approval of a PPA amendment that would (among other requests) possibly extend the Guaranteed Commercial Operations Date is unacceptable. Therefore, Hawaiian Electric is willing to allow Seller to move forward with the regrading earthwork subject to the terms for such work set forth below. However, given the fact that one of Hawaiian Electric's potential remedies includes the right to terminate the PPA, please be advised that any costs that Seller incurs at this point and going forward shall be incurred at Seller's sole risk and obligation.

In Seller's January 4, 2016, letter to Company regarding the regrading earthwork ("January 4 Letter"), Seller has indicated that the regrading earthwork will be done by [REDACTED] in accordance with all specifications provided in the [REDACTED] Subsurface Investigation Report dated March 11, 2015, prepared for Hema Substation site ("Final Geotechnical Report"), which was originally provided to Seller on March 26, 2015. Seller is responsible for providing this report to [REDACTED]. Additionally, Seller has directed Company to retain [REDACTED] to perform the observation, monitoring, testing, and produce the final grading report to Company. [REDACTED] has confirmed that they will be available for the duration of the Hema substation regrading earthwork. [REDACTED] report will be applicable for the Company pad only, since that will be the extent of [REDACTED] observation. The observation of the remainder of the site will need to be covered under a different report, which will be provided by Seller. Company will provide [REDACTED] report to Seller for the purpose of closing out the grading permit for the Company pad portion of the site. Seller also agrees that during the grading observations, [REDACTED] will provide Seller and [REDACTED] with recommendations that are in accordance with the

Final Geotechnical Report as well as recommendations that include but are not limited to, grading that may extend to the Seller's facility (pad), existing irrigation lines, and maintaining the retaining wall.

As indicated on the Grading Permit ("Permit Number GP2015-09-0461"), fill on the Hema Substation pad may be obtained from two sources. The seller will indicate the source of any offsite import for geotechnical and environmental purposes, prior to fill placement. If the import originated from another site and will be used as final fill material, Seller shall provide documentation that this is the case and soil characterization samples will need to be taken.

Separate soil sampling is also required by [REDACTED] at least 4 days prior to regrading. Accordingly, Company requests Seller's immediate consent and authority for [REDACTED] to conduct such sampling on Monday, January 25, 2016, in order to meet the deadlines explained below. [REDACTED] grading recommendation will be based on the test results of these soil samples and a minimum of four (4) days are required to complete the testing and compile the results. In a meeting between the parties on January 5, 2016, Seller agreed to assist Company or [REDACTED] in gathering these samples no later than four (4) days before grading activities commence. Upon completion of the regrading earthwork, Seller is responsible for providing the Company with data similar to what was previously provided, by a licensed surveyor. The new data from the licensed surveyor will confirm that the new rough grading operation was completed pursuant to the grading permit plans prior to handing the site over to Company by providing staked coordinates and elevations.

Further, Company requires the [REDACTED] regrading earthwork schedule and work plan by January 25, 2016, to be reviewed by Company and consultants. Assuming [REDACTED] is permitted to complete its sampling on January 25th as requested, Seller shall be responsible to schedule a meeting no later than Friday, January 29, 2016, prior to the regrading earthwork, with all parties involved to ensure that there will be no future misunderstandings or miscommunication of the regrading earthwork for the Hema substation pad.

The Seller's regrading earthwork for the Hema Substation must be completed by February 29, 2016, in order for Hawaiian Electric and its contractor to begin work on the Hema Substation on March 1, 2016. If Hawaiian Electric's work cannot begin on March 1, 2016, Company cannot confirm that it will be able to complete its work in order for Seller to achieve commercial operations by December 31, 2016. Seller and D. E. Shaw understand that Seller's failure to make the balance of the Company-Owned Interconnection Facilities Prepayment on time and the failure to complete the Construction Financing Closing Milestone may have already resulted in delays that may result in a failure to meet the December 31, 2016, Guaranteed Commercial Operations Date. Accordingly, as noted above, Seller and D. E. Shaw must agree to waive any claims against Hawaiian Electric for such failure.

If Seller and D. E. Shaw are agreeable to the conditions set forth in this letter, please notify us immediately but in no event later than Monday, January 25, 2016 (so that Company can notify and mobilize its contractors), and, subject to all applicable third party consents, the parties can work together to document the agreement. Please contact me should you have any questions.

Sincerely,



Shelee M. T. Kimura
Vice President, Corporate Planning & Business
Development

cc: Colton Ching – Hawaiian Electric
Rodney Chong – Hawaiian Electric
Dmitri Jarocki – Hawaiian Electric
Reese Yorimoto – Hawaiian Electric
Ken Aramaki – Hawaiian Electric
Debbie Nuesca – Hawaiian Electric
Rebecca Dayhuff Matsushima – Hawaiian Electric
Kevin Oda – Hawaiian Electric



January 22, 2016

**VIA U.S. MAIL,
FACSIMILE AND EMAIL**

Kawailoa Solar, LLC
c/o Mr. Wren Wescoatt
SunEdison
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813
Email: WWescoatt@sunedison.com

D. E. Shaw
c/o Mr. Bryan Martin & Mr. David Zwillinger
1166 Avenue of the Americas
Ninth Floor
New York, New York 10036
Email: David.Zwillinger@deshaw.com
Email: Bryan.Martin@deshaw.com

SunEdison, Inc.
179 Lincoln Street, Suite 500
Boston, MA 02111
Facsimile: (808) 441-4604

Ms. Jennifer Lootens
44 Montgomery Street, Suite 2200
San Francisco, CA 94104
Email: JLootens@sunedison.com

RE: Response to Seller's Anticipated Default Resolution Proposal; Project Status; and Next Steps for Kawailoa Solar, LLC

Dear Messrs. Wescoatt, Martin and Zwillinger and Ms. Lootens:

Hawaiian Electric Company, Inc. ("Hawaiian Electric" or "Company") appreciates the D. E. Shaw group ("D. E. Shaw") and SunEdison, on behalf of Kawailoa Solar, LLC ("Seller") taking the time to meet with us on January 20, 2016, to explain first hand D. E. Shaw and Seller's plans for moving the Kawailoa Solar project ("Project") forward. This letter represents Hawaiian Electric's response to D. E. Shaw and Seller's proposal regarding foregoing certain of Company's rights under the Amended and Restated Power Purchase Agreement For Renewable As-Available Energy Between Hawaiian Electric and Seller dated May 29, 2015 ("PPA").

Seller has indicated that it will not meet the Guaranteed Project Milestone defined as the Construction Financing Closing Milestone on February 1, 2016 as required under the PPA. The PPA does not provide for a cure period for missing the Construction Financing Closing Milestone. Seller and D. E. Shaw are therefore asking Company to forego its rights to certain remedies under the PPA, including termination, and to allow Seller and/or D. E. Shaw until March 15, 2016, to complete the Construction Financing Closing Milestone, therefore placing additional risk on Hawaiian Electric's customers beyond the original risk profile agreed to at the time of executing the PPA. If Hawaiian Electric agrees to forebear its rights to terminate the PPA once the Construction Financing Closing Milestone is missed, Hawaiian Electric's customers must accept a greater risk that the Project will never be completed, or continue to be delayed, thereby losing an opportunity to replace the Project with alternative sources of low, or lower cost, renewable energy as quickly as possible. Therefore, Hawaiian Electric will only agree to forebear its right to terminate the PPA at this time in exchange for concessions that benefit Hawaiian Electric's customers to adequately compensate these customers for bearing a greater risk under the PPA than previously negotiated between the parties and approved by the State of Hawai'i Public Utilities Commission ("PUC"). While Seller and D. E. Shaw have offered to increase the amount of Hawai'i State

tax credit that is passed through to Hawaiian Electric's customers and to reduce the PPA price for energy by one half of a cent per kilowatt-hour if the Guaranteed Commercial Operations Date is not met, these concessions are not sufficient to justify the additional risks borne by the Company's customers. As previously explained, the Seller was to retain 10% of the State tax credit in order to incentivize the Seller to maximize the value of the State tax credit. Foregoing all of this credit eliminates any incentive to D. E. Shaw and/or SunEdison to maximize this credit. Further, D. E. Shaw has failed to provide any information regarding the amount it estimates it will receive in a State tax credit and therefore, Hawaiian Electric is unable to determine if its customers will be receiving the same, greater or less benefit than they would receive if SunEdison were the owner of the Project. Increasing the amount of the State tax credit passed through to the Company's customers also may require PUC approval of a PPA amendment, which the Seller and D.E. Shaw have indicated is an unacceptable approach. The alternate reduction to the energy price offered would only be realized if the Project does not meet the Guaranteed Commercial Operations Date and does not provide any compensation to Hawaiian Electric's customers for taking on the additional risk if the project fails to achieve Commercial Operations altogether. In addition, such a price reduction would require PUC approval, and waiting to request such approval until after the Project is built is not acceptable to Company as this may be perceived negatively by the PUC as an attempt to subvert their authority as it would be problematic for the PUC to not approve a price reduction once the Project is built and in service.

Instead, based on the foregoing and further explained below, Company sets the following conditions and concessions that must be met by Seller and D. E. Shaw no later than Monday, February 1, 2016, in exchange for Hawaiian Electric's agreement to forebear its rights under the PPA until March 15, 2016.

Hawaiian Electric's Conditions for Agreeing to Forebear Termination Rights

1. By February 1, 2016, Seller and/or D. E. Shaw shall place \$2,500,000 into an escrow account. This amount represents the approximate net present value of the benefit Hawaiian Electric's customers expect to receive on average for one year of operations, as calculated using the Reference Fuel Cost scenario of the Avoided Cost Analysis filed in the Company's Supplemental Statement of Position in support of PUC approval of the PPA.¹ The escrow agreement shall be agreed to between the parties and shall provide that Hawaiian Electric has the right to access the funds on January 1, 2017. If the Project does not achieve the Commercial Operations Date by the Guaranteed Commercial Operations Date of December 31, 2016, Company shall remove the full amount of funds from the escrow and provide these funds to its customers through the Company's purchased power adjustment clause. These funds, along with any other damages due under the PPA, would compensate Hawaiian Electric's customers for the benefits they would have received if the Project had achieved Commercial Operations as required under the PPA. If the Project does achieve the Guaranteed Commercial Operations Date, then Hawaiian Electric shall remove the funds on a pro rata basis for the first 12 months after Commercial Operations and apply the funds to amounts due by Hawaiian Electric under the PPA as a credit to invoices from Seller for energy payments therefore reducing the amount of expense passed through to Hawaiian

¹ See Supplemental Statement of Position of Hawaiian Electric Company, Inc filed In Docket No. 2014-0356 on June 12, 2015.

Electric's customers. This will provide a benefit to customers for assuming the risk of forbearing termination. As placing funds in escrow does not result in a change to the price of energy set forth in the PPA and can be accomplished through a side agreement, Hawaiian Electric believes it can present this to the PUC as a notice filing and not request formal PUC approval. Seller and D. E. Shaw, however, should be aware that the PUC may determine that its approval is required.


2. By February 1, 2016, in lieu of agreeing to pass through a greater amount of Hawai'i State tax credit under the PPA, which may require a PPA Amendment, D. E. Shaw and Seller will agree to pay \$2,300,000 directly to Hawaiian Electric for the benefit of its customers on the Commercial Operations Date. This amount is approximately equivalent to the additional 10% value of the State tax credit previously offered to be passed through to Hawaiian Electric's customers, as calculated using the assumptions and methodologies contained in the draft Summary of Hawaii State Tax Credits Related to Kawailoa Solar, as prepared by Ernst and Young, the Independent Tax Expert agreed to by the Parties as required under Attachment J of the PPA. In addition to the 90% of the State tax credit to be passed through under the PPA, this payment will provide Hawaiian Electric's customers a commensurate benefit to passing through 100% of the State tax credit as an offset to amounts due to Seller under the PPA.
3. By February 1, 2016, as previously requested, D. E. Shaw shall provide detailed information showing that the subsidiary of D. E. Shaw that will be assigned the PPA by Seller ("Assignee") has (i) a tangible net worth of \$100,000,000 or a credit rating of "BBB-" or greater and (ii) experience in the ownership of power generation facilities. This information is required under Section 1(e) of Attachment P of the PPA in order for D. E. Shaw to take assignment of the PPA from SunEdison without formal consent from Hawaiian Electric.
4. By February 1, 2016, as previously requested, D. E. Shaw shall provide information regarding its plans for operation of the project, including who D. E. Shaw intends to have operate the project if D. E. Shaw will not be the operator. If there will be a third party operator, D. E. Shaw shall provide information evidencing such operator's experience operating a solar facility equivalent in size and with similar technology to the project described in the PPA.
5. By February 1, 2016, as previously requested, D. E. Shaw shall provide a firm commitment or other evidence confirming that D. E. Shaw can in fact secure financing for the project in the time frame proposed by D.E. Shaw.
6. By March 15, 2016, D. E. Shaw and/or Seller shall complete the Construction Financing Closing Milestone.
7. The purchase and sale transaction between D. E. Shaw and Seller's parent company SunEdison must be completed no later than March 15, 2016, as D. E. Shaw must be deemed the "Seller" under the PPA in order for its financing to be considered satisfactory to meet the Construction Financing Closing Milestone. If such transaction is terminated, Hawaiian Electric will immediately exercise its rights to terminate the PPA.

8. By February 1, 2016, Seller, D. E. Shaw and Hawaiian Electric shall confirm the above conditions and commitments in a written agreement. Such agreement shall include agreement by D. E. Shaw and Seller to waive any claims Seller and/or D. E. Shaw may have against Hawaiian Electric for any delay in meeting the Guaranteed Commercial Operations Date.

If Seller and D. E. Shaw fail to meet any of the above conditions, Hawaiian Electric will immediately exercise its rights to terminate the PPA. Agreeing to such terms is not a waiver by Hawaiian Electric of any of its rights under the PPA, including its immediate right to terminate the PPA.

If Seller and D. E. Shaw are agreeable to the conditions set forth in this letter, please notify us immediately but in no event later than Monday, January 25, 2016 and, subject to all applicable third party consents, the parties can work together to document the agreement. Please contact me should you have any questions.

Sincerely,



Shelee M. T. Kimura
Vice President, Corporate Planning & Business
Development

cc: Colton Ching – Hawaiian Electric
Rodney Chong – Hawaiian Electric
Dmitri Jarocki – Hawaiian Electric
Reese Yorimoto – Hawaiian Electric
Corinne Chang – Hawaiian Electric
Stewart Chong – Hawaiian Electric
Rebecca Dayhuff Matsushima – Hawaiian Electric
Kevin Oda – Hawaiian Electric



January 26, 2016

VIA EMAIL

Hawaiian Electric Company, Inc.
(808) 203-1470
Attn: Shelee M. T. Kimura, Vice President, Corporate Planning & Business Development

Hawaiian Electric Company, Inc.
Legal Department
P.O. Box 2750
Honolulu, Hawaii 96840

Dear Ms. Kimura:

We are in receipt of Hawaiian Electric Company, Inc.'s (the "Company") letter dated January 22, 2015 regarding its proposal to forbear its termination right under that certain Power Purchase Agreement for Renewable As-Available Energy ("PPA") by and between the Company and Waipio PV, LLC (formerly known as Waiawa PV, LLC) ("Seller"). All capitalized terms used but not defined herein shall have the meanings given to such terms in the PPA.

We are generally in agreement with the terms of your letter, as modified and restated below. We agree that the Company's forbearance of its termination right under the PPA shall be subject to the following conditions:

1. Seller will agree to place \$2,400,000, representing the approximate net present value of the benefit Company's customers expect to receive on average for one year of operations, into an escrow account by February 5, 2016. In order to ensure the funds can be deposited by this time, we ask that Company provide us with the name and contact information for Company's preferred escrowing bank, and to please send the bank's form of escrow agreement for our review as soon as possible.
2. Seller agrees to pay to Company Waipio & Kawailoa: \$2,300,000, representing the value of additional Hawaii State Tax Credits not required to be passed through to Company under the PPA, on the Commercial Operations Date. Seller will make this payment in lieu of agreeing to pass through a greater amount of Hawai'i State Tax Credits under the PPA. Please confirm that this would be included in the side letter agreement, and that, similar to the condition in #1 above, Company believes that it

can present this condition to the PUC as a notice filing and not request formal PUC approval.

3. By February 1, 2016, D. E. Shaw Renewable Investments, L.L.C. ("Buyer") will provide detailed information regarding Buyer's net worth, showing that the Buyer meets the qualifications set forth in Section 1(e) of Attachment P of the PPA. The sale of the project to Buyer is expected to be structured as a sale of the direct or indirect ownership interests in Seller to Buyer or to a subsidiary of Buyer. As a result, the transaction will not require an assignment of the PPA from Seller to another entity, however Buyer will provide a revised Exhibit A-2 for the PPA showing the new ownership structure.
4. By February 1, 2016, Buyer will provide information regarding its plans for operation of the project, including the entity that Buyer intends will operate the project. In the event there is a third party operator, Buyer will provide information evidencing such operator's experience operating a solar facility in size and with similar technology to the project described in the PPA.
5. By February 1, 2016, Buyer will provide a firm commitment or other evidence confirming that Buyer can secure financing for the project in the time frame proposed by Buyer.
6. By March 15, 2016, the Construction Financing Closing Milestone will be completed.
7. The purchase and sale transaction between Buyer and Seller's parent company will be completed no later than March 15, 2016.
8. Seller and Buyer will confirm the conditions listed in items (1) through (7) above in a written agreement with Company to be executed no later than February 1, 2016. Such agreement shall include agreement by Seller and Buyer to waive any claims Seller and/or Buyer may have against Company for any delay in meeting the Guaranteed Commercial Operations Date, except with respect to delays due to Company's failure to cooperate and work in good faith with Seller and Buyer, or resulting from the gross negligence or willful misconduct of the Company, or Company's breach of the PPA. Please let us know if Company will be taking the lead in drafting such agreement.

Regarding the interconnection facility construction, Seller and Buyer are in agreement with your proposed terms and will move forward with the earthwork immediately in accordance with such terms. Seller requests a schedule from HECO no later than February 1, 2016.

We appreciate your proposal and your continued cooperation throughout the financing, construction and operation of the project.

Sincerely,

A handwritten signature in black ink, appearing to read "Wren W. Wescoatt", with a stylized flourish at the end.

Wren W. Wescoatt
Senior Director of Development



January 26, 2016

VIA EMAIL

Hawaiian Electric Company, Inc.
(808) 203-1470
Attn: Shelee M. T. Kimura, Vice President, Corporate Planning & Business Development

Hawaiian Electric Company, Inc.
Legal Department
P.O. Box 2750
Honolulu, Hawaii 96840

Dear Ms. Kimura:

We are in receipt of Hawaiian Electric Company, Inc.'s (the "Company") letter dated January 22, 2015 regarding its proposal to forbear its termination right under that certain Power Purchase Agreement for Renewable As-Available Energy ("PPA") by and between the Company and Lanikuhana Solar, LLC ("Seller"). All capitalized terms used but not defined herein shall have the meanings given to such terms in the PPA.

We are generally in agreement with the terms of your letter, as modified and restated below. We agree that the Company's forbearance of its termination right under the PPA shall be subject to the following conditions:

1. Seller will agree to place \$700,000, representing the approximate net present value of the benefit Company's customers expect to receive on average for one year of operations, into an escrow account by February 5, 2016. In order to ensure the funds can be deposited by this time, we ask that Company provide us with the name and contact information for Company's preferred escrowing bank, and to please send the bank's form of escrow agreement for our review as soon as possible.
2. Seller agrees to pay to Company \$700,000, representing the value of additional Hawaii State Tax Credits not required to be passed through to Company under the PPA, on the Commercial Operations Date. Seller will make this payment in lieu of agreeing to pass through a greater amount of Hawai'i State Tax Credits under the PPA. Please confirm that this would be included in the side letter agreement, and

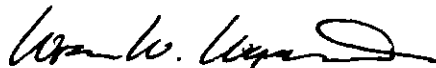
that, similar to the condition in #1 above, Company believes that it can present this condition to the PUC as a notice filing and not request formal PUC approval.

3. By February 1, 2016, D. E. Shaw Renewable Investments, L.L.C. ("Buyer") will provide detailed information regarding Buyer's net worth, showing that the Buyer meets the qualifications set forth in Section 1(e) of Attachment P of the PPA. The sale of the project to Buyer is expected to be structured as a sale of the direct or indirect ownership interests in Seller to Buyer or to a subsidiary of Buyer. As a result, the transaction will not require an assignment of the PPA from Seller to another entity, however Buyer will provide a revised Exhibit A-2 for the PPA showing the new ownership structure.
4. By February 1, 2016, Buyer will provide information regarding its plans for operation of the project, including the entity that Buyer intends will operate the project. In the event there is a third party operator, Buyer will provide information evidencing such operator's experience operating a solar facility in size and with similar technology to the project described in the PPA.
5. By February 1, 2016, Buyer will provide a firm commitment or other evidence confirming that Buyer can secure financing for the project in the time frame proposed by Buyer.
6. By March 15, 2016, the Construction Financing Closing Milestone will be completed.
7. The purchase and sale transaction between Buyer and Seller's parent company will be completed no later than March 15, 2016.
8. Seller and Buyer will confirm the conditions listed in items (1) through (7) above in a written agreement with Company to be executed no later than February 1, 2016. Such agreement shall include agreement by Seller and Buyer to waive any claims Seller and/or Buyer may have against Company for any delay in meeting the Guaranteed Commercial Operations Date, except with respect to delays due to Company's failure to cooperate and work in good faith with Seller and Buyer, or resulting from the gross negligence or willful misconduct of the Company, or Company's breach of the PPA. Please let us know if Company will be taking the lead in drafting such agreement.

Regarding the interconnection facility construction, Seller and Buyer are in agreement with your proposed terms and will move forward with the earthwork immediately in accordance with such terms. Seller requests a schedule setting out the new timeframe for HECO's schedule no later than February 1, 2016.

We appreciate your proposal and your continued cooperation throughout the financing, construction and operation of the project.

Sincerely,

A handwritten signature in black ink, appearing to read "Wren W. Wescoatt", with a stylized flourish at the end.

Wren W. Wescoatt
Senior Director of Development



January 26, 2016

VIA EMAIL

Hawaiian Electric Company, Inc.
(808) 203-1470
Attn: Shelee M. T. Kimura, Vice President, Corporate Planning & Business Development

Hawaiian Electric Company, Inc.
Legal Department
P.O. Box 2750
Honolulu, Hawaii 96840

Dear Ms. Kimura:

We are in receipt of Hawaiian Electric Company, Inc.'s (the "Company") letter dated January 22, 2015 regarding its proposal to forbear its termination right under that certain Power Purchase Agreement for Renewable As-Available Energy ("PPA") by and between the Company and Kawaiiloa Solar, LLC ("Seller"). All capitalized terms used but not defined herein shall have the meanings given to such terms in the PPA.

We are generally in agreement with the terms of your letter, as modified and restated below. We agree that the Company's forbearance of its termination right under the PPA shall be subject to the following conditions:

1. Seller will agree to place \$2,500,000, representing the approximate net present value of the benefit Company's customers expect to receive on average for one year of operations, into an escrow account by February 5, 2016. In order to ensure the funds can be deposited by this time, we ask that Company provide us with the name and contact information for Company's preferred escrowing bank, and to please send the bank's form of escrow agreement for our review as soon as possible.
2. Seller agrees to pay to Company \$2,300,000, representing the value of additional Hawaii State Tax Credits not required to be passed through to Company under the PPA, on the Commercial Operations Date. Seller will make this payment in lieu of agreeing to pass through a greater amount of Hawai'i State Tax Credits under the PPA. Please confirm that this would be included in the side letter agreement, and

that, similar to the condition in #1 above, Company believes that it can present this condition to the PUC as a notice filing and not request formal PUC approval.

3. By February 1, 2016, D. E. Shaw Renewable Investments, L.L.C. ("Buyer") will provide detailed information regarding Buyer's net worth, showing that the Buyer meets the qualifications set forth in Section 1(e) of Attachment P of the PPA. The sale of the project to Buyer is expected to be structured as a sale of the direct or indirect ownership interests in Seller to Buyer or to a subsidiary of Buyer. As a result, the transaction will not require an assignment of the PPA from Seller to another entity, however Buyer will provide a revised Exhibit A-2 for the PPA showing the new ownership structure.
4. By February 1, 2016, Buyer will provide information regarding its plans for operation of the project, including the entity that Buyer intends will operate the project. In the event there is a third party operator, Buyer will provide information evidencing such operator's experience operating a solar facility in size and with similar technology to the project described in the PPA.
5. By March 1, 2016, Buyer will provide a firm commitment or other evidence confirming that Buyer can secure financing for the project in the time frame proposed by Buyer. As discussed, a longer time period will be required to provide the Kawaioloa Solar financing commitment.
6. By April 15, 2016, the Construction Financing Closing Milestone will be completed. As discussed, a longer time period will be required to complete the Kawaioloa Solar financing milestone.
7. The purchase and sale transaction between Buyer and Seller's parent company will be completed no later than April 15, 2016. As discussed, a longer time period will be required to complete the Kawaioloa Solar transaction.
8. Seller and Buyer will confirm the conditions listed in items (1) through (7) above in a written agreement with Company to be executed no later than February 1, 2016. Such agreement shall include agreement by Seller and Buyer to waive any claims Seller and/or Buyer may have against Company for any delay in meeting the Guaranteed Commercial Operations Date, except with respect to delays due to Company's failure to cooperate and work in good faith with Seller and Buyer, or resulting from the gross negligence or willful misconduct of the Company, or

Company's breach of the PPA. Please let us know if Company will be taking the lead in drafting such agreement.

We appreciate your proposal and your continued cooperation throughout the financing, construction and operation of the project.

Sincerely,

A handwritten signature in black ink, appearing to read "Wren W. Wescoatt", with a stylized flourish at the end.

Wren W. Wescoatt
Senior Director of Development



February 1, 2016

**VIA U.S. MAIL,
FACSIMILE AND EMAIL**

Waipio PV, LLC
c/o Mr. Wren Wascoatt
SunEdison
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813
Email: WWascoatt@sunedison.com

D. E. Shaw
c/o Mr. Bryan Martin & Mr. David Zwillinger
1166 Avenue of the Americas
Ninth Floor
New York, New York 10036
Email: David.Zwillinger@deshaw.com
Email: Bryan.Martin@deshaw.com

SunEdison, Inc.
179 Lincoln Street, Suite 500
Boston, MA 02111
Facsimile: (808) 441-4604

Ms. Jennifer Lootens
44 Montgomery Street, Suite 2200
San Francisco, CA 94104
Email: JLootens@sunedison.com

RE: Response to Seller's Counter Offer; Project Status; and Next Steps for Waipio PV, LLC

Dear Messrs. Wascoatt, Martin and Zwillinger and Ms. Lootens:

Thank you for SunEdison's January 26, 2016 letter, on behalf of Waipio PV, LLC ("Seller"), which lays out Seller and the D. E. Shaw group's ("D. E. Shaw") response to Hawaiian Electric Company, Inc.'s ("Hawaiian Electric" or "Company") January 22, 2016 letter regarding Hawaiian Electric's proposal to forbear its termination right under that certain Power Purchase Agreement For Renewable As-Available Energy Between Hawaiian Electric and Seller dated December 3, 2014 ("PPA"). Capitalized terms shall have the meaning set forth in the PPA unless defined otherwise herein.

Given how hard Hawaiian Electric, Seller and D. E. Shaw have been working to see successful completion of the Waipio PV project, we regret to inform you of the information set forth in this letter. Hawaiian Electric wants to see renewable projects brought into operations as soon as possible, however, at this time we believe the risks of moving forward in the manner Seller and D.E. Shaw have requested are significant and may not be in the best interest of customers. You will note from the following discussion that recent information received by Hawaiian Electric has forced Hawaiian Electric to rethink its position regarding the project.

As previously noted by Hawaiian Electric, Seller has not performed as required under the PPA. Seller failed to make the balance of the Company-Owned Interconnection Facilities Prepayment when due and also failed to make such payment within the cure period provided for under the PPA. Further, Seller failed to meet two Guaranteed Project Milestones. While Seller did cure one missed Guaranteed Project Milestone within the time provided for under the PPA by providing an executed engineering, procurement, and construction agreement, Seller has yet to cure the Construction Financing Closing Milestone and has indicated, along with D. E. Shaw, that such failure will not be corrected within the 30 day cure period provided for under the PPA. As a result, Seller and D. E. Shaw have requested Company to forego its rights to certain remedies under the PPA, including termination, and to allow Seller and/or

D. E. Shaw until March 15, 2016, to cure such failures, therefore shifting risk to Hawaiian Electric's customers above and beyond what is provided under the terms of the PPA.

In Hawaiian Electric's January 22, 2016 letter, we proposed forbearing the Company's termination rights in exchange for Seller and D. E. Shaw agreeing to several conditions (the "Conditions"). Seller's January 26, 2016 letter did not express acceptance of those Conditions but, instead, proposed modification of certain of those Conditions. As noted below, Hawaiian Electric cannot accept the modifications imposed in Seller's January 26, 2016 letter to Hawaiian Electric's Conditions and, for the additional reasons set forth below, Hawaiian Electric hereby revokes the offer set forth in its January 22, 2016 letter.

Seller's Proposed Modifications to the Conditions

In Seller's January 26, 2016 letter, Seller and D. E. Shaw counter-proposed modifications to Hawaiian Electric's Conditions. These changes included an extension of the date Company requested to have funds placed into escrow and exceptions to Hawaiian Electric's Condition requiring Seller and D. E. Shaw to waive any claims Seller may have against Company for any delay in meeting the Guaranteed Commercial Operations Date. With regards to the waiver of claims against Company for delay, Seller stated it would accept such condition, "except with respect to delays due to Company's failure to cooperate and work in good faith with Seller and [D. E. Shaw], or resulting from the gross negligence or willful misconduct of the Company, or Company's breach of the PPA." Hawaiian Electric's offer was conditioned upon Seller providing a complete waiver of any potential claims and the Company finds these exceptions extremely broad and unreasonable given Seller's current status of performance under the PPA.

Recent Information

In addition to Hawaiian Electric's concerns with the modifications imposed on the Company's conditions to forbearance of its termination rights, new information has arisen which have caused Hawaiian Electric to reevaluate all issues, and in particular our proposal set forth in the January 22, 2016 letter. [REDACTED]

[REDACTED]. Hawaiian Electric has reviewed SunEdison's January 27, 2016 8-K filing and related analyst reports, including a UBS research report dated January 27, 2016, which indicates that a hedge fund with significant ownership interest in SunEdison has now obtained a board seat to influence corporate action, including an agreement which will result in a Bylaw Amendment that will not permit equity capital raises for two years without a supermajority vote of the Board. [REDACTED]

[REDACTED]. This new development heightens our concern about the tumultuous financial situation in which SunEdison finds itself and the risks inherent in entering into an agreement with an unstable counterparty. In addition, the report also notes there has been continued management turnover, including the recent departure of Paul Gaynor, and raises concerns about growing execution risk [REDACTED]

[REDACTED]. The UBS report also noted that sources have indicated that others are rebidding projects they had previously lost

in bidding processes to SunEdison projects. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Second, the Company's proposal included placing funds into escrow that would be accessible by Hawaiian Electric upon the Guaranteed Commercial Operations Date. [REDACTED]
[REDACTED]
[REDACTED]

Therefore, given Hawaiian Electric's concerns regarding SunEdison's financial status for the reasons stated above, Hawaiian Electric no longer views the payment into escrow as a viable concession.

Third, on January 28, 2016, the State of Hawai'i Public Utilities Commission ("PUC") issued Order Number 33519 in Docket Number 2014-0359 ("Order 33519"), which reopened the docket and directed Hawaiian Electric to provide a status update regarding the Walpio PV project by February 16, 2016. Order 33519 stated "The Commission has concerns about whether or not the project can be completed in a timely fashion." Given the current financial issues involved with the project and participants, the size of the project and the regulatory process involved in the selection of the project from among other finalists, we believe that any changes at this time should not be based solely on Hawaiian Electric's preliminary review of public information. Hawaiian Electric is responsible on behalf of its customers to ensure that the terms of the project PPA are met. With the information that has been presented and is available, however, we have serious concerns about whether the risks presented can be addressed in a timely manner. Consequently, it is prudent and necessary that we retain transparency under the current circumstances.

Revocation of January 22, 2016 Proposal and Return of Funds Held in Escrow

Based on the above concerns regarding the modifications made to Company's proposal in its January 22, 2016 letter and the recent information noted above, Hawaiian Electric hereby revokes its January 22, 2016 proposal. Since we have not agreed on a path forward, Hawaiian Electric intends to return the payment made by Seller for the balance of the Company-Owned Interconnection Facilities Prepayment. Hawaiian Electric had been holding such funds in a segregated account and as previously noted to Seller had not accepted such funds as a cure to the missed payment. Please provide the appropriate wiring extensions for the immediate return of such funds.

While Company is no longer willing to forbear its termination rights under the PPA based on the Conditions set forth in Company's January 22, 2016 letter for the reasons set forth above, should Seller and D.E. Shaw have other relevant information or updates that will provide assurances that the

milestones set forth in Attachment K and Attachment L of the PPA will be met, we would be willing to review such information.

Project and Interconnection Facility Construction

We understand Seller is moving forward with the re-grading earthwork at the Waipio PV site today, Monday, February 1, 2016. However, given the fact that at this time Hawaiian Electric is not willing to forbear its termination rights under the PPA and one of Hawaiian Electric's potential remedies for Seller's default includes the right to terminate the PPA, Hawaiian Electric reminds Seller that any costs Seller incurs with respect to the Waipio PV project shall be incurred at Seller's sole risk and obligation. If Seller decides to stop the re-grading earthwork, given these risks, please notify Debbie Nuesca, Hawaiian Electric's Project Manager so that we may notify our contractor Fewell Geotechnical Engineering, Ltd. to also cease performance of the work set forth in our January 22, 2016 letter.

Thank you for your time and attention to this matter. Please contact me should you have any questions.

Sincerely,



for

Shelee M. T. Kimura
Vice President, Corporate Planning & Business
Development

cc: Rodney Chong – Hawaiian Electric
Dmitri Jarocki – Hawaiian Electric
Rebecca Dayhuff Matsushima – Hawaiian Electric



February 1, 2016

**VIA U.S. MAIL,
FACSIMILE AND EMAIL**

Lanikuhana Solar, LLC
c/o Mr. Wren Wescoatt
SunEdison
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813
Email: WWescoatt@sunedison.com

D. E. Shaw
c/o Mr. Bryan Martin & Mr. David Zwillinger
1166 Avenue of the Americas
Ninth Floor
New York, New York 10036
Email: David.Zwillinger@deshaw.com
Email: Bryan.Martin@deshaw.com

SunEdison, Inc.
179 Lincoln Street, Suite 500
Boston, MA 02111
Facsimile: (808) 441-4604

Ms. Jennifer Lootens
44 Montgomery Street, Suite 2200
San Francisco, CA 94104
Email: JLootens@sunedison.com

RE: Response to Seller's Counter Offer; Project Status; and Next Steps for Lanikuhana Solar, LLC

Dear Messrs. Wescoatt, Martin and Zwillinger and Ms. Lootens:

Thank you for SunEdison's January 26, 2016 letter, on behalf of Lanikuhana Solar, LLC ("Seller"), which lays out Seller and the D. E. Shaw group's ("D. E. Shaw") response to Hawaiian Electric Company, Inc.'s ("Hawaiian Electric" or "Company") January 22, 2016 letter regarding Hawaiian Electric's proposal to forbear its termination right under that certain Power Purchase Agreement For Renewable As-Available Energy Between Hawaiian Electric and Seller dated December 3, 2014 ("PPA"). Capitalized terms shall have the meaning set forth in the PPA unless defined otherwise herein.

Given how hard Hawaiian Electric, Seller and D. E. Shaw have been working to see successful completion of the Lanikuhana Solar project, we regret to inform you of the information set forth in this letter. Hawaiian Electric wants to see renewable projects brought into operations as soon as possible, however, at this time we believe the risks of moving forward in the manner Seller and D.E. Shaw have requested are significant and may not be in the best interest of customers. You will note from the following discussion that recent information received by Hawaiian Electric has forced Hawaiian Electric to rethink its position regarding the project.

As previously noted by Hawaiian Electric, Seller has not performed as required under the PPA. Seller failed to make the balance of the Company-Owned Interconnection Facilities Prepayment when due and also failed to make such payment within the cure period provided for under the PPA. Further, Seller failed to meet two Guaranteed Project Milestones. While Seller did cure one missed Guaranteed Project Milestone within the time provided for under the PPA by providing an executed engineering, procurement, and construction agreement, Seller has yet to cure the Construction Financing Closing Milestone and has indicated, along with D. E. Shaw, that such failure will not be corrected within the 30 day cure period provided for under the PPA. As a result, Seller and D. E. Shaw have requested Company

to forego its rights to certain remedies under the PPA, including termination, and to allow Seller and/or D. E. Shaw until March 15, 2016, to cure such failures, therefore shifting risk to Hawaiian Electric's customers above and beyond what is provided under the terms of the PPA.

In Hawaiian Electric's January 22, 2016 letter, we proposed forbearing the Company's termination rights in exchange for Seller and D. E. Shaw agreeing to several conditions (the "Conditions"). Seller's January 26, 2016 letter did not express acceptance of those Conditions but, instead, proposed modification of certain of those Conditions. As noted below, Hawaiian Electric cannot accept the modifications imposed in Seller's January 26, 2016 letter to Hawaiian Electric's Conditions and, for the additional reasons set forth below, Hawaiian Electric hereby revokes the offer set forth in its January 22, 2016 letter.

Seller's Proposed Modifications to the Conditions

In Seller's January 26, 2016 letter, Seller and D. E. Shaw counter-proposed modifications to Hawaiian Electric's Conditions. These changes included an extension of the date Company requested to have funds placed into escrow and exceptions to Hawaiian Electric's Condition requiring Seller and D. E. Shaw to waive any claims Seller may have against Company for any delay in meeting the Guaranteed Commercial Operations Date. With regards to the waiver of claims against Company for delay, Seller stated it would accept such condition, "except with respect to delays due to Company's failure to cooperate and work in good faith with Seller and [D. E. Shaw], or resulting from the gross negligence or willful misconduct of the Company, or Company's breach of the PPA." Hawaiian Electric's offer was conditioned upon Seller providing a complete waiver of any potential claims and the Company finds these exceptions extremely broad and unreasonable given Seller's current status of performance under the PPA.

Recent Information

In addition to Hawaiian Electric's concerns with the modifications imposed on the Company's conditions to forbearance of its termination rights, new information has arisen which have caused Hawaiian Electric to reevaluate all issues, and in particular our proposal set forth in the January 22, 2016 letter. [REDACTED]

[REDACTED] Hawaiian Electric has reviewed SunEdison's January 27, 2016 8-K filing and related analyst reports, including a UBS research report dated January 27, 2016, which indicates that a hedge fund with significant ownership interest in SunEdison has now obtained a board seat to influence corporate action, including an agreement which will result in a Bylaw Amendment that will not permit equity capital raises for two years without a supermajority vote of the Board. [REDACTED]

[REDACTED] This new development heightens our concern about the tumultuous financial situation in which SunEdison finds itself and the risks inherent in entering into an agreement with an unstable counterparty. In addition, the report also notes there has been continued management turnover, including the recent departure of Paul Gaynor, and raises concerns about growing execution risk. [REDACTED]

[REDACTED] The UBS report also noted that sources have indicated that others are rebidding projects they had previously lost in bidding processes to SunEdison projects. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Second, the Company's proposal included placing funds into escrow that would be accessible by Hawaiian Electric upon the Guaranteed Commercial Operations Date. [REDACTED]

[REDACTED]

Therefore, given Hawaiian Electric's concerns regarding SunEdison's financial status for the reasons stated above, Hawaiian Electric no longer views the payment into escrow as a viable concession.

Third, on January 28, 2016, the State of Hawai'i Public Utilities Commission ("PUC") issued Order Number 33518 in Docket Number 2014-0357 ("Order 33518"), which reopened the docket and directed Hawaiian Electric to provide a status update regarding the Lanikuhana Solar project by February 16, 2016. Order 33518 stated "The Commission has concerns about whether or not the project can be completed in a timely fashion." Given the current financial issues involved with the project and participants, the size of the project and the regulatory process involved in the selection of the project from among other finalists, we believe that any changes at this time should not be based solely on Hawaiian Electric's preliminary review of public information. Hawaiian Electric is responsible on behalf of its customers to ensure that the terms of the project PPA are met. With the information that has been presented and is available, however, we have serious concerns about whether the risks presented can be addressed in a timely manner. Consequently, it is prudent and necessary that we retain transparency under the current circumstances.

Revocation of January 22, 2016 Proposal and Return of Funds Held in Escrow

Based on the above concerns regarding the modifications made to Company's proposal in its January 22, 2016 letter and the recent information noted above, Hawaiian Electric hereby revokes its January 22, 2016 proposal. Since we have not agreed on a path forward, Hawaiian Electric intends to return the payment made by Seller for the balance of the Company-Owned Interconnection Facilities Prepayment. Hawaiian Electric had been holding such funds in a segregated account and as previously noted to Seller had not accepted such funds as a cure to the missed payment. Please provide the appropriate wiring extensions for the immediate return of such funds.

While Company is no longer willing to forbear its termination rights under the PPA based on the Conditions set forth in Company's January 22, 2016 letter for the reasons set forth above, should Seller and D.E. Shaw have other relevant information or updates that will provide assurances that the


milestones set forth in Attachment K and Attachment L of the PPA will be met, we would be willing to review such information.

Project and Interconnection Facility Construction

We understand Seller is moving forward with the re-grading earthwork at the Lanikuhana Solar site Monday, February 24, 2016. However, given the fact that at this time Hawaiian Electric is not willing to forbear its termination rights under the PPA and one of Hawaiian Electric's potential remedies for Seller's default includes the right to terminate the PPA, Hawaiian Electric reminds Seller that any costs Seller incurs with respect to the Lanikuhana Solar project shall be incurred at Seller's sole risk and obligation. If Seller decides to stop the re-grading earthwork, given these risks, please notify Debbie Nuesca, Hawaiian Electric's Project Manager so that we may notify our contractor Fewell Geotechnical Engineering, Ltd. to also cease performance of the work set forth in our January 22, 2016 letter.

Thank you for your time and attention to this matter. Please contact me should you have any questions.

Sincerely,


for Shelee M. T. Kimura
Vice President, Corporate Planning & Business
Development

cc: Rodney Chong – Hawaiian Electric
Dmitri Jarocki – Hawaiian Electric
Rebecca Dayhuff Matsushima – Hawaiian Electric



February 1, 2016

**VIA U.S. MAIL,
FACSIMILE AND EMAIL**

Kawailoa Solar, LLC
c/o Mr. Wren Wescoatt
SunEdison
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Honolulu, HI 96813
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D. E. Shaw
c/o Mr. Bryan Martin & Mr. David Zwillinger
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Ninth Floor
New York, New York 10036
Email: David.Zwillinger@deshaw.com
Email: Bryan.Martin@deshaw.com

SunEdison, Inc.
179 Lincoln Street, Suite 500
Boston, MA 02111
Facsimile: (808) 441-4604

Ms. Jennifer Lootens
44 Montgomery Street, Suite 2200
San Francisco, CA 94104
Email: JLootens@sunedison.com

RE: Response to Seller's Counter Offer; Project Status; and Next Steps for Kawailoa Solar, LLC

Dear Messrs. Wescoatt, Martin and Zwillinger and Ms. Lootens:

Thank you for SunEdison's January 26, 2016 letter, on behalf of Kawailoa Solar, LLC ("Seller"), which lays out Seller and the D. E. Shaw group's ("D. E. Shaw") response to Hawaiian Electric Company, Inc.'s ("Hawaiian Electric" or "Company") January 22, 2016 letter regarding Hawaiian Electric's proposal to forbear its termination right under that certain Power Purchase Agreement For Renewable As-Available Energy Between Hawaiian Electric and Seller dated December 3, 2014 ("PPA"). Capitalized terms shall have the meaning set forth in the PPA unless defined otherwise herein.

Given how hard Hawaiian Electric, Seller and D. E. Shaw have been working to see successful completion of the Kawailoa Solar project, we regret to inform you of the information set forth in this letter. Hawaiian Electric wants to see renewable projects brought into operations as soon as possible, however, at this time we believe the risks of moving forward in the manner Seller and D.E. Shaw have requested are significant and may not be in the best interest of customers. You will note from the following discussion that recent information received by Hawaiian Electric has forced Hawaiian Electric to rethink its position regarding the project.

Seller has indicated that it will not meet the Guaranteed Project Milestone defined as the Construction Financing Closing Milestone on February 1, 2016 as required under the PPA. The PPA does not provide for a cure period for missing the Construction Financing Closing Milestone. As a result, Seller and D. E. Shaw have requested Company to forego its rights to certain remedies under the PPA, including termination, and to allow Seller and/or D. E. Shaw until April 15, 2016, to cure such failure, therefore shifting risk to Hawaiian Electric's customers above and beyond what is provided under the terms of the PPA.

In Hawaiian Electric's January 22, 2016 letter, we proposed forbearing the Company's termination rights in exchange for Seller and D. E. Shaw agreeing to several conditions (the "Conditions"). Seller's January 26, 2016 letter did not express acceptance of those Conditions but, instead, proposed modification of certain of those Conditions. As noted below, Hawaiian Electric cannot accept the modifications imposed in Seller's January 26, 2016 letter to Hawaiian Electric's Conditions and, for the additional reasons set forth below, Hawaiian Electric hereby revokes the offer set forth in its January 22, 2016 letter.

Seller's Proposed Modifications to the Conditions

In Seller's January 26, 2016 letter, Seller and D. E. Shaw counter-proposed modifications to Hawaiian Electric's Conditions. These changes included an extension of the date Company requested to have funds placed into escrow, an extension to the date proposed for completion of the Construction Financing Closing Milestone, an extension to the date proposed for completion of the sale of the Kawailoa Solar project to D. E. Shaw, and exceptions to Hawaiian Electric's Condition requiring Seller and D. E. Shaw to waive any claims Seller may have against Company for any delay in meeting the Guaranteed Commercial Operations Date. Hawaiian Electric has significant concerns with delaying the Construction Financing Closing Milestone and sale to D. E. Shaw. These extensions will result in a further two and half month delay before Hawaiian Electric's customers will have confidence that the Kawailoa Solar project will move forward and may lead to delay in reaching commercial operations. With regards to the waiver of claims against Company for delay, Seller stated it would accept such condition, "except with respect to delays due to Company's failure to cooperate and work in good faith with Seller and [D. E. Shaw], or resulting from the gross negligence or willful misconduct of the Company, or Company's breach of the PPA." Hawaiian Electric's offer was conditioned upon Seller providing a complete waiver of any potential claims and the Company finds these exceptions extremely broad and unreasonable given Seller's current status of performance under the PPA.

Recent Information

In addition to Hawaiian Electric's concerns with the modifications imposed on the Company's conditions to forbearance of its termination rights, new information has arisen which have caused Hawaiian Electric to reevaluate all issues, and in particular our proposal set forth in the January 22, 2016 letter. [REDACTED]

[REDACTED] Hawaiian Electric has reviewed SunEdison's January 27, 2016 8-K filing and related analyst reports, including a UBS research report dated January 27, 2016, which indicates that a hedge fund with significant ownership interest in SunEdison has now obtained a board seat to influence corporate action, including an agreement which will result in a Bylaw Amendment that will not permit equity capital raises for two years without a supermajority vote of the Board. [REDACTED]

[REDACTED] This new development heightens our concern about the tumultuous financial situation in which SunEdison finds itself and the risks inherent in entering into an agreement with an unstable counterparty. In addition, the report also notes there has been continued management turnover, including the recent departure of Paul Gaynor, and raises concerns about growing execution risk. [REDACTED]

[REDACTED] The UBS report also noted that sources have indicated that others are rebidding projects they had previously lost in bidding processes to SunEdison projects. [REDACTED]

Second, the Company's proposal included placing funds into escrow that would be accessible by Hawaiian Electric upon the Guaranteed Commercial Operations Date. [REDACTED]

Therefore, given Hawaiian Electric's concerns regarding SunEdison's financial status for the reasons stated above, Hawaiian Electric no longer views the payment into escrow as a viable concession.

Third, on January 28, 2016, the State of Hawai'i Public Utilities Commission ("PUC") issued Order Number 33517 in Docket Number 2014-0356 ("Order 33517"), which reopened the docket and directed Hawaiian Electric to provide a status update regarding the Kawailoa Solar project by February 16, 2016. Order 33517 stated "The Commission has concerns about whether or not the project can be completed in a timely fashion." Given the current financial issues involved with the project and participants, the size of the project and the regulatory process involved in the selection of the project from among other finalists, we believe that any changes at this time should not be based solely on Hawaiian Electric's preliminary review of public information. Hawaiian Electric is responsible on behalf of its customers to ensure that the terms of the project PPA are met. With the information that has been presented and is available, however, we have serious concerns about whether the risks presented can be addressed in a timely manner. Consequently, it is prudent and necessary that we retain transparency under the current circumstances.

Revocation of January 22, 2016 Proposal

Based on the above concerns regarding the modifications made to Company's proposal in its January 22, 2016 letter and the recent information noted above, Hawaiian Electric hereby revokes its January 22, 2016 proposal. While Company is no longer willing to forbear its termination rights under the PPA based on the Conditions set forth in Company's January 22, 2016 letter for the reasons set forth above, should Seller and D.E. Shaw have other relevant information or updates that will provide assurances that the milestones set forth in Attachment K and Attachment L of the PPA will be met, we would be willing to review such information.

Thank you for your time and attention to this matter. Please contact me should you have any questions.

Sincerely,



for

Shelee M. T. Kimura
Vice President, Corporate Planning & Business
Development

cc: Rodney Chong – Hawaiian Electric
Dmitri Jarocki – Hawaiian Electric
Rebecca Dayhuff Matsushima – Hawaiian Electric



February 2, 2016

**VIA U.S. MAIL,
FACSIMILE AND EMAIL**

Kawailoa Solar, LLC
c/o Mr. Wren Wescoatt
SunEdison
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813
Email: WWescoatt@sunedison.com

Ms. Jennifer Lootens
44 Montgomery Street, Suite 2200
San Francisco, CA 94104
JLootens@sunedison.com

SunEdison, Inc.
179 Lincoln Street, Suite 500
Boston, MA 02111
Facsimile: (808) 441-4604

**RE: Kawailoa Solar, LLC - Notice of Failure to Complete Substantial Commitment
Milestone - Docket No. 2014-0356**

Dear Mr. Wescoatt and Ms. Lootens:

This letter serves as official notice that Kawailoa Solar, LLC, ("Seller") has failed to meet a Substantial Commitment Milestone as required under that certain Amended and Restated Power Purchase Agreement For Renewable As-Available Energy between Hawaiian Electric Company, Inc. ("Hawaiian Electric" or "Company") and Seller dated May 29, 2015 ("PPA") and that such failure results in an immediate right to Company to terminate the PPA.

Pursuant to Attachment K of the PPA, the following milestone is both a Guaranteed Project Milestone and Substantial Commitment Milestone:

February 1, 2016	Provide Company with documentation reasonably satisfactory to Company evidencing (i) the closing on financing for the Facility or (ii) the financial capability to construct the Facility ("Construction Financing Closing Milestone").*
------------------	--

Seller failed to provide any information evidencing the completion of this Substantial Commitment Milestones by February 1, 2016. Section 13.4(C) of the PPA provides in part:

13.4(C) Termination and Termination Damages for Failure to Achieve a Guaranteed Substantial Commitment Date. If Seller has not achieved a Substantial Commitment Milestone by the applicable Guaranteed Substantial Commitment Date, as extended by any grace period that may be applicable under Section [1]3.3 (Guaranteed Project Milestone Dates), Company shall have the right, notwithstanding any other provision of this Agreement to the contrary, to terminate this Agreement with immediate effect by issuing

Kawailoa Solar, LLC
Ms. Jennifer Lootens
Mr. Wren Wescoatt
February 2, 2016
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PAGE 2 OF 3

a written termination notice to Seller designating the Day such termination is to be effective.

...
If the Agreement is terminated by Company pursuant to this Section 13.4 (Damages and Termination), Company shall have the right to collect liquidated damages ("Termination Damages"), which shall be calculated in accordance with Article 16 (Damages in the Event of Termination By Company) of this Agreement.

Section 16.1 reads:

16.1 Termination Due to Failure to Meet a Guaranteed Project Milestone Date. If the Agreement is terminated by Company pursuant to Section 13.4 (Damages and Termination), Company shall be entitled to Termination Damages calculated by multiplying the Contract Capacity by \$50/kW, less the total amount of Daily Delay Damages actually paid by Seller to Company under Section 13.4 (Damages and Termination).

Seller's failure to meet the Substantial Commitment Milestone leaves the Company with serious concerns regarding Seller's ability to complete the project in a timely and acceptable manner. Hawaiian Electric is currently reviewing its rights and potential remedies under the PPA, including the right to terminate the PPA and collect Termination Damages as set forth above. In order to make this decision, Hawaiian Electric must consider and evaluate the course of action which is in the best interest of our customers and has the responsibility and obligation to seek relevant information on behalf of our customers to determine the status of the project and Seller's future ability to perform. It is imperative that the Company deliver the intended benefits of the project to our customers in a timely manner and meet the state's renewable portfolio standards of reaching 100% renewable energy, including considering other renewable energy projects if Seller is unable to perform its obligations under the PPA.

Thank you for your prompt attention to this matter.¹ If Company elects to terminate the PPA, notice of such decision will be made in accordance with the PPA.

Sincerely,



Shelee M. T. Kimura
Vice President, Corporate Planning &
Business Development

¹ Hawaiian Electric has provided a copy of this letter to the Commission and the Consumer Advocate to advise them of the status of this missed payment and Event of Default. See In re Approval of Power Purchase Contract with Honua Power, LLC, Docket No. 2010-0010, Decision & Order No. 31044, filed February 27, 2013 (noting that Hawaiian Electric must ensure that its Power Purchase Agreements with developers are on track and should provide timely notification of the contrary to the Commission and Consumer Advocate).

Kawaiiloa Solar, LLC
Ms. Jennifer Lootens
Mr. Wren Wescoatt
February 2, 2016
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PAGE 3 OF 3

cc: State of Hawai'i Public Utilities Commission
Consumer Advocate of the State of Hawai'i
Rodney Chong - Hawaiian Electric
Dmitri Jarocki - Hawaiian Electric
Reese Yorimoto - Hawaiian Electric
Corinne Chang - Hawaiian Electric
Stewart Chong - Hawaiian Electric
Rebecca Dayhuff Matsushima - Hawaiian Electric



February 3, 2016

VIA EMAIL

Hawaiian Electric Company, Inc.
(808) 543-7500

Attn: Shelee M. T. Kimura, Vice President, Corporate Planning & Business Development

Dear Ms. Kimura:

We received Hawaiian Electric Company, Inc.'s ("HECO" or "Company") letter dated February 1, 2016 ("February 1 Letter") rescinding its offer to forbear its termination rights under the Power Purchase Agreement for Renewable As-Available Energy ("PPA") by and between the Company and Waipio PV, LLC, Lanikuhana Solar, LLC, and Kawaihoa Solar, LLC (collectively, "Seller"). In this response, Seller provides additional information to address the concerns expressed by the Company and requests that HECO provide a written response that will enable these utility-scale projects to continue preparations for financing by March 15, 2016 for the Waipio and Mililani II projects and by April 15th for the Kawaihoa project.

As acknowledged by Company in its February 1 Letter, Company, Seller and D. E. Shaw have made substantial progress toward resolving the default conditions in the PPA, reaching agreement with HECO on a plan to avoid termination and working with the lender and tax equity investors to finalize financing of the projects in the next few weeks, and completing all three projects on schedule by the end of 2016. We have previously furnished to HECO information substantiating D. E. Shaw's financial capacity and experience and the readiness of its tax equity and debt financing providers to complete construction financing on an extremely expedited schedule over the next few weeks. We are confident that we can meet the deadline for beginning construction; however, as HECO knows, our ability to do so depends on HECO's cooperation. As such, we were extremely surprised to receive the Company's February 1 Letter stating that HECO wishes to rescind its prior offer to forbear from terminating the PPAs in connection with the sale of the projects to D. E. Shaw.

We were particularly surprised by the Company's argument that the risks of the projects not being completed on time would exceed the risks of terminating the projects entirely, and that forbearing termination rights would somehow shift risk to HECO's customers. At this point, with financing to be provided imminently by qualified lenders and D. E. Shaw standing ready to assume ownership of the projects from SunEdison, we respectfully submit that the greatest risks to HECO and its customers receiving low-cost clean energy under the PPAs in 2016 is the Company's recent change of position, which could further delay this time-sensitive financing. There are no other utility-scale projects that could provide 112 MW of utility-scale renewable energy in the next several years to HECO's customers, nor have any been proposed at a price less than 13.5 cents/kWh. As a consequence, with no alternative for significant amounts of near-term, low-cost clean energy on Oahu, it is difficult to see



what additional risks ratepayers would bear if the projects were allowed to move forward.

Seller has previously acknowledged its failure to meet certain milestones in the PPA. Since receiving Company's notices of default, each defaulted condition has been cured with the exception of the closing of construction financing on each project, which cannot be achieved until the Company agrees to forbear from terminating the PPA. In exchange for that forbearance, Seller and D. E. Shaw have already provided HECO with detailed information about the financing parties and have agreed to make substantial commercial concessions beyond what was agreed to in the PPA.

In its January 22, 2016 letter, Company proposed forbearance from termination in exchange for meeting several requested conditions. In Seller's January 26, 2016 response, Seller substantially accepted HECO's proposal with minor modifications. Specifically, Seller requested that the following additional terms be included in the written instrument formalizing the forbearance agreement across the three projects:

- Four (4) additional days to post the newly requested \$5.6 million payment;
- One (1) additional month to close financing on Kawaihoa (by April 15, 2016); and
- Minor additions to HECO's requirement that the Seller waive all claims against the Company for delays, to include customary exceptions "for failure to cooperate and work in good faith..., gross negligence or willful misconduct..., and breach of the PPA." While these exceptions are standard in contracts, Seller has indicated a willingness to find mutually agreeable language.

Taken together, the exchange of January 22 and January 26 letters demonstrates that the Company and Seller were close to an agreement that would have allowed the projects to be financed successfully and timely under new ownership---an outcome that we firmly believe is in the best interest of all parties, including the Company's customers. Confirmation from HECO that it will forbear termination is essential to the successful and timely financing of the projects.

In its February 1 Letter, HECO stated that it had received certain recent information about SunEdison that caused the Company to rethink its proposed terms, [REDACTED]

[REDACTED] We note that SunEdison's financial issues have been well-documented in financial literature for several months, and the sale of the Hawaii solar projects to D. E. Shaw is part of its strategy to proactively address these concerns. As explained to HECO, the PUC staff, the Division of Consumer Advocacy, the Department of Business and Economic Development and state legislators, the pending sale of SunEdison's Hawaii solar projects will give the projects their best -- and likely only -- chance of being successfully financed and constructed. Regulators seemed to appreciate that D. E. Shaw's financial strength and expertise would enable the projects to be built in 2016, bringing the largest ever block of solar energy to Oahu ratepayers at the lowest prices to date.

Importantly, the risks identified by the Company have been thoroughly considered by D. E. Shaw, which is acquiring 100% indirect ownership of the projects, [REDACTED], which is providing the tax equity investment, and [REDACTED], which is providing the construction financing. All three entities,



which will make material financial commitments to the projects, have substantial financing expertise, conducted extensive diligence in connection with their investment (including reviewing financial information of the projects, Seller, and the entities that will be conveying the equity interests to D. E. Shaw Seller, performing lien searches, asking questions of Seller and SunEdison) [REDACTED]

[REDACTED]

[REDACTED]

HECO's February 1 Letter also identifies the January 28, 2016 PUC orders directing the Company to provide a status update on the projects. By this order, the regulators are expressing their interest in assuring that these approved projects *do* move forward in a timely way, rather than a request for an explanation as to why they are *not* moving forward. We believe that this order is an opportunity to demonstrate that all parties are working together cooperatively to [REDACTED] mitigate further delays to keep the projects on track. According to the attached updated Seller construction schedules – and Company's own updated construction schedules, though time has been lost on financing, time can be made up during construction so that all three projects can still reach commercial operation in 2016. As long as HECO allows financing to occur by March 15 for the Waipio and Mililani II projects and by April 15 for Kawaihoa, Seller and D. E. Shaw will be able to complete the projects by the Guaranteed COD in the PPAs. [REDACTED]

[REDACTED]

Under the circumstances, the sale of the projects to a new owner who is able to finance and complete the projects in 2016 will be an extremely fortuitous outcome for Hawaii ratepayers. As such, we are convinced that the PUC will expect HECO to *facilitate* the transition to D. E. Shaw to save the projects rather than taking actions that will push construction into 2017 or obstruct the projects altogether. If HECO were to terminate the PPAs for the projects, HECO should consider how the PUC would view the loss of:

- the lowest-cost clean energy projects to date;
- 112 MW of PUC-approved grid-friendly, utility scale solar; and



- 3% of Hawaii's progress toward 100% RPS.

Put simply, the PUC is not likely to approve of the use of intermediate milestones by HECO to terminate otherwise sound IPP projects that are in the best interests of ratepayers.

Terminating the PPAs or further delaying these projects represents the largest risk to ratepayers and would send a negative signal about the utility's and the state's commitment to renewables that we believe is inconsistent with HECO's objectives. Now that D. E. Shaw has financing commitments ready to be delivered and that closing is anticipated in the next month, the only party that can prevent the projects from moving forward is HECO.

Seller and D. E. Shaw remain committed to working in good faith with HECO to enable the projects to move forward and to providing our respective reports to the PUC on February 16 and 23 which should explain that issues of default were resolved cooperatively and that both sides facilitated a timely and successful financial closing. We have provided the information contained in this letter and the attached updated construction schedules, which we believe should address HECO's concerns. Seller asks that Company provide a written response as soon as possible indicating that it will proceed with the previous forbearance agreement, or suggesting another approach by which we may achieve a successful financing.

Sincerely,

A handwritten signature in black ink, appearing to read "Wren W. Wescoatt", written over a horizontal line.

Wren W. Wescoatt
Senior Director of Development



February 5, 2016

VIA EMAIL

Hawaiian Electric HECO, Inc.
(808) 543-7500
Attn: Shelee M. T. Kimura, Vice President, Corporate Planning & Business Development

Dear Ms. Kimura:

We have received Hawaiian Electric HECO, Inc.'s ("HECO" or "Company") letter dated February 2, 2016 and letters dated January 4, 2016 notifying us that Kawaihoa Solar, LLC, Waipio PV, LLC and Lanikuhana Solar, LLC (together, the "Sellers") had missed the intermediate milestone of closing construction financing for the Kawaihoa, Mililani II and Waipio projects (together, the "Projects") by the date set forth in their respective Power Purchase Agreement for Renewable As-Available Energy (the "PPAs") by and between Company and the respective Seller.¹

Over the past 3 years, these Projects experienced significant delays at several stages of development, and responsibility for this is shared. HECO's interconnection studies, PPA negotiations and execution, government approvals, and financing by Sellers all took months longer than anticipated. Each one of these delays made it increasingly difficult for Sellers to meet the intermediate milestones in the PPAs. However, despite the significant delays, we have successfully met the other Substantial Completion Milestones in the PPAs. Since the execution of the agreement to sell the Projects, the Sellers and D. E. Shaw have been working toward closing financing by March 15, 2016 for the Waipio PV and Mililani PV II projects and by April 15, 2016 for the Kawaihoa Solar project.

Sellers acknowledge that the failure to close financing on the respective projects by the applicable milestone date constitutes a failure to meet a Substantial Commitment Milestone in the PPAs but reiterate for the record that Sellers had previously notified both HECO and the Public Utilities Commission (the "Commission") that this milestone would be missed for each of the Projects given the time required for the D. E. Shaw group ("D. E. Shaw") to perform its diligence and close financing for each of the Projects. Sellers notified HECO of the pending sale in December 2015, then again in a letter dated January 6, 2016, explaining that the Projects would be sold to D. E. Shaw and referring HECO to a publicly available purchase and sale agreement with respect to the transaction.

¹ On January 28, 2016, the PUC issued Order Nos. 33517, 33518 and 33519 in Docket Nos. 2014-0356, 2014-0357 and 2014-0359 (the "Dockets"), respectively, in which the PUC expressed interest in the status of the Projects and re-opened such Dockets in order to receive information from HECO and Sellers regarding the Projects. HECO provided the PUC with a copy of the Notices of Default sent to each of the Sellers. Given the Sellers' and HECO's mutual interest in keeping regulators informed in order to prevent any misunderstanding or continued delay (which could be fatal to the project), Sellers have also copied the PUC and Consumer Advocate on this letter.



As noted above, Sellers plan to cure the missed milestone by selling the Projects to D. E. Shaw, closing financing for the Projects by March 15, 2016 for the Waipio PV and Mililani PV II projects and by April 15, 2016 for the Kawaihoa Solar project, and completing construction by the Guaranteed Commercial Operations Date in the PPAs. Initial construction on the Projects began as early as October 2015 and is now well underway. As such, while the intermediate milestone of financing was not achieved by the planned date, the much more significant final milestone of finishing the projects will be achieved on time, so that the low-cost renewable energy will be available to HECO and its customers on schedule. Seller and D. E. Shaw are proceeding with financing diligence, but to date, HECO has refused to forbear from terminating the PPAs to enable the financing to close. HECO's forbearance is the last remaining significant item required for Sellers to complete the sale to D. E. Shaw, finance the Projects, and resolve the missed milestones.

With cooperation from HECO, we can quickly complete the financing and construct all three Projects this year, bringing O'ahu the largest block of utility-scale solar generation at the lowest prices ever achieved.

Sincerely,

A handwritten signature in black ink, appearing to read "Wren W. Wescoatt", written in a cursive style.

Wren W. Wescoatt
Senior Director of Development

cc: State of Hawai'i Public Utilities Commission
Consumer Advocate of the State of Hawai'i



February 8, 2016

**VIA U.S. MAIL,
FACSIMILE AND EMAIL**

Waipio PV, LLC
Lanikuhana Solar, LLC
Kawailoa Solar, LLC
c/o Mr. Wren Wescoatt
SunEdison
Ali'i Place, 1099 Alakea Street, Suite 2440
Honolulu, HI 96813
Email: WWescoatt@sunedison.com

Ms. Jennifer Lootens
44 Montgomery Street, Suite 2200
San Francisco, CA 94104
Email: JLootens@sunedison.com

SunEdison, Inc.
179 Lincoln Street, Suite 500
Boston, MA 02111
Facsimile: (808) 441-4604

RE: Response to SunEdison's February 3, 2016 and February 5, 2016 Letters - Kawailoa Solar, LLC (Docket No. 2014-0356), Lanikuhana Solar, LLC (Docket No. 2014-0357), and Waipio PV, LLC (formerly Waiawa PV, LLC) (Docket No. 2014-0359)

Dear Mr. Wescoatt and Ms. Lootens:

We are in receipt of SunEdison Inc.'s ("SunEdison") February 3, 2016 ("February 3 Letter") and February 5, 2016 ("February 5 Letter") letters (February 3 Letter and February 5 Letter collectively, "SunEdison's February Letters"), on behalf of Waipio PV, LLC ("Waipio"), Lanikuhana Solar, LLC ("Lanikuhana"), and Kawailoa Solar, LLC ("Kawailoa") (Waipio, Lanikuhana and Kawailoa collectively, the "Sellers"). Sellers' February Letters lay out SunEdison's responses to Hawaiian Electric Company, Inc.'s ("Hawaiian Electric" or "Company") February 1, 2016 letters to Sellers, Hawaiian Electric's February 2, 2016 letter to Kawailoa, and Company's January 4, 2016 letters to Waipio and Lanikuhana. Reference is made to those certain Power Purchase Agreements for Renewable As-Available Energy between Hawaiian Electric and the respective Sellers (each a "PPA" and collectively, the "PPAs"). Capitalized terms shall have the meaning set forth in the PPAs unless defined otherwise herein.

Hawaiian Electric respectfully disagrees with the characterizations set forth in SunEdison's February Letters. As Hawaiian Electric has explained previously, we are charged with acting in what we believe is in the best interests of our customers and in advancing the State of Hawaii's Renewable Portfolio Standards goals. As has been well documented, there is only so much room on Hawaiian Electric's system for utility scale solar projects. Hawaiian Electric must carefully evaluate each project to ensure its success and that such project will not languish in Hawaiian Electric's queues due to incompleteness [REDACTED]. In such instance, Hawaiian Electric would have to continue to include such resources in its planning efforts until they were terminated [REDACTED] and could begin work again, taking up valuable limited space on the grid in the meantime and delaying the procurement and installation of projects that would be able to be

completed and provide significant benefits to Hawaiian Electric's customers and the State's Renewable Portfolio Standards goals.

SunEdison has repeatedly missed deadlines, Guaranteed Project Milestones, Reporting Milestones, and Seller's Conditions Precedent under the PPAs, including certain extensions, despite ongoing assertions that deadlines would be met. This track record leaves Hawaiian Electric pessimistic that the construction of the Waipio, Lanikuhana and Kawailoa projects (the "Projects") will be completed and brought into service consistent with the terms of the approved PPA. The assertions and information set forth in SunEdison's February Letters have not provided specific or sufficient information to allay Hawaiian Electric's concerns. There is a lack of factual information presented to support Sellers' conclusions set forth in the February Letters.

You have requested that Hawaiian Electric continue to wait and agree to a transfer of the Projects from Sellers to D. E. Shaw Renewable Investments, L. L. C. ("D. E. Shaw"), a creditor of SunEdison. SunEdison claims that D. E. Shaw will be able to complete the Projects and meet the Guaranteed Commercial Operations Dates for the Projects. However, the sale to D. E. Shaw is not yet complete and is contingent on several factors set forth in the purchase and sale agreement between SunEdison and D. E. Shaw. SunEdison is requesting that Hawaiian Electric forbear its current termination rights and allow D. E. Shaw to take over the Projects, but SunEdison cannot guaranty that D. E. Shaw will in fact complete the purchase of the Projects. While SunEdison and D.E. Shaw have indicated that project financing close is a condition precedent to the sale and the sole barrier to meeting the PPA milestones, based on Hawaiian Electric's review of SunEdison's Form 8-K, D.E. Shaw has the option of closing the sale without the close of such project debt and tax equity financing at its sole discretion. Further, other than providing a link to SunEdison's Form 8-K filing regarding the sale to D. E. Shaw, SunEdison has provided the Company no information in writing regarding the sale, the specific entities involved in the sale, and the specific factors that need to occur before such sale will be final. It has been difficult for Hawaiian Electric to consider such a significant request with such limited information.

[REDACTED]

[REDACTED]

SunEdison also asserts that Hawaiian Electric's refusal to forbear its rights under the PPA is the only reason why D. E. Shaw has yet been able to obtain financing, but SunEdison provides no reasonable evidence to support such claims.

[REDACTED]

Neither SunEdison nor D. E. Shaw has provided any information as to why the lenders could not conditionally approve financing of the Projects subject only to receiving the forbearance of Hawaiian Electric's rights to terminate and Hawaiian Electric fails to see why its most recent letters to SunEdison and D. E. Shaw have caused all work on the financing to pause.

While SunEdison admits that the Sellers have failed to meet certain milestones under the PPAs, including the Construction Financing Closing Milestones, which constitute Guaranteed Project Milestones under the PPAs and as well as a Substantial Commitment Milestone under the Kawaihoa PPA, SunEdison contends that these milestones are simply intermediate milestones and that the failure to achieve such milestones should have no bearing on Sellers' performance under the PPAs. Hawaiian Electric first notes SunEdison's complete mischaracterization of the Guaranteed Project Milestones and Substantial Completion Milestones as intermediate milestones. This argument is belied by the terms of the PPA. The Guaranteed Project Milestones were specifically agreed to between Hawaiian Electric and the Sellers during PPA negotiations. The Guaranteed Project Milestones and Substantial Completion Milestones are intended to insure that the Projects remain on schedule and will in fact be completed. This is inherent in the fact that the PPAs specifically allow the ability to declare Events of Default and terminate the Projects for missing such milestones. If these Guaranteed Project Milestones and Substantial Commitment Milestones were not meant to be important dates under the PPA, Hawaiian Electric and Sellers would not have agreed to termination rights being associated with missing such milestones.

In SunEdison's February 5 Letter, SunEdison also states without support that its delays are somehow caused by Hawaiian Electric's delays in completing interconnection studies, PPA negotiations and execution of the PPAs. While Hawaiian Electric disagrees with the characterization that such delays

were due solely to Hawaiian Electric, those delays, if any, are irrelevant to the Seller's missed milestones. These delays, if any, would have occurred prior to execution of the PPAs. Sellers nevertheless agreed to the dates set forth for such milestones and signed the PPAs. The performance deficiencies in issue occurred thereafter. If Sellers felt that any delays that occurred prior to signing the PPAs would result in an inability to meet their requirements under the PPAs, Sellers should have negotiated for milestone dates that would have been achievable or in the alternative could have chosen not to enter into the PPAs.

Further, we must note that SunEdison's February Letters set forth several incorrect or mischaracterized statements. First, the PPAs provided for a combined 109.6 MW of solar energy, however, SunEdison lists the projects at a total 112 MW. Further, in SunEdison's February 3 Letter, SunEdison repeatedly refers to the Projects as the lowest priced utility scale projects proposed. Hawaiian Electric, however, notes that its subsidiary Maui Electric has recently signed two solar energy power purchase agreements with prices of \$110.60/MWh and has no reason to believe that similar pricing could not be achieved on O'ahu.

SunEdison similarly argues that there are no other projects which could provide a large amount of solar energy to the Company in the next several years. However, SunEdison provides no factual information to support this statement. Hawaiian Electric has no reason to believe that it could not secure replacement generation through a request for proposal ("RFP") process especially since the federal tax credit for such renewable projects has been extended. Hawaiian Electric has every reason to believe that several projects in various stages of development on O'ahu would be willing to bid into such an RFP. In addition, the Company currently has a community based renewable energy program before the State of Hawai'i Public Utilities Commission ("PUC"), which already includes an RFP for up to 35 MW of utility scale solar projects.

SunEdison also provided updated construction schedules with its February 3 Letter in an effort to show that the Projects will be able to meet their respective Guaranteed Commercial Operations Dates. However, for at least one of the projects the information set forth in the schedule provided by SunEdison was incorrect and implied that a permit had been received when it has not. The timing of receiving that permit will have a large impact on such Seller's ability to meet its Commercial Operations Date, which is not dependent on whether SunEdison or D. E. Shaw is the owner of such Project, a fact that SunEdison omitted from its February 3 Letter.

Finally, Hawaiian Electric notes that SunEdison's February 3 Letter purports to speak on behalf of the PUC and its intentions with regards to the Projects. Hawaiian Electric feels it is improper to presuppose the PUC's opinions of these Projects, especially when significant facts and circumstances have not yet been put forth to the PUC. That is why Hawaiian Electric has argued that discussions with Seller and D. E. Shaw need to be transparent and that Hawaiian Electric would not feel comfortable deviating from the approved PPA without PUC review. However, SunEdison and D. E. Shaw have indicated that any terms agreed to in exchange for Hawaiian Electric's forbearance of its termination rights under the PPAs must not be subject to PUC review.

In conclusion, given the information provided to date by SunEdison and D. E. Shaw and Sellers' pattern of failure to meet requirements under the PPAs, we remain pessimistic regarding the success of the Projects and at this time do not feel that there is sufficient reasoning to justify forbearing our rights to terminate the PPAs. While we would like to see Sellers' projects successfully completed under the

existing PPAs, this conclusion reflects our commitment to provide low-cost renewable energy to our customers as soon as possible and the unique risks and circumstances of SunEdison's situation.

Sincerely,



Shelee M. T. Kimura
Vice President, Corporate Planning & Business
Development

cc: State of Hawai'i Public Utilities Commission
Consumer Advocate of the State of Hawai'i
Rodney Chong – Hawaiian Electric
Dmitri Jarocki – Hawaiian Electric
Rebecca Dayhuff Matsushima – Hawaiian Electric

Failed Latin America Power Deal Spawns More Woes for SunEdison - WSJ

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BUSINESS

Failed Latin America Power Deal Spawns More Woes for SunEdison

Latin America Power shareholders expect win in SunEdison arbitration



Investors in Latin America Power Holding have asked a New York court to lock up \$150 million of SunEdison's assets in a fight over a failed deal. Shown is a SunEdison solar power plant in Tuscon, Ariz. PHOTO: PR
NEWswire/ASSOCIATED PRESS

By PEG BRICKLEY

Updated Feb. 10, 2016 7:03 p.m. ET

Shareholders of a company that owns renewable energy projects in Chile and Peru have asked a New York court to lock up \$150 million of SunEdison's assets, to protect what they expect to win in a fight over a failed deal with the troubled solar company.

Investors in Latin America Power Holding B.V. said in court papers they're going to win an arbitration fight against SunEdison over its failure to close a \$733 million buyout last year, but they're worried the assets won't be there when it is time to collect.

"We believe the lawsuit is without merit and we plan to vigorously contest it," SunEdison spokesman Ben Harborne said.

In court papers filed in New York Supreme Court Wednesday, the Latin America Power investors say SunEdison, which has suffered a “stunning financial collapse” in its stock price, is “teetering on the edge of bankruptcy,” and has allegedly said it would transfer assets away.

SunEdison’s shares, which closed Wednesday at \$2.36, have lost much of their value from a high of \$32.13 in June. The company’s bonds have followed suit, signaling markets are closing their doors on the solar developer.

SunEdison, of California, engaged in complex financial engineering to develop its solar power plants, a strategy that helped it grow, but led to problems when the affiliates it spawned to draw in outside investors began to lose favor with the markets.

Not long after SunEdison agreed to buy Latin American Power, in May 2015, it announced the \$2.2 billion purchase of solar energy company Vivint, Inc. The Vivint deal, which is pending but has yet to close, fueled investor worries about SunEdison’s ability to pay off its debts.

By August 2015, when SunEdison announced a loss of \$263 million, the company’s debt stood at \$11 billion, court papers say.

In September, despite what Latin America Power shareholders claim were repeated assurances from SunEdison, the once booming solar development company failed to wire the funds to close their deal. Shareholders turned to arbitration to seek damages.

Wednesday, the shareholders petitioned a state court in New York to attach \$150 million, which they say is the least they expect to win from SunEdison in the arbitration. They blame SunEdison’s “failed business strategies” for fouling their deal, and contend they need “to protect an eventual international arbitration award” against the company and its affiliates, “which have publicly announced their plan to secrete assets in the face of their widely-expected insolvency.”

Among the Latin America Power shareholders suing SunEdison is BTG Pactual Brazil Infrastructure Fund II, L.P., a large infrastructure fund affiliated with Brazilian investment bank Grupo BTG Pactual. Other shareholders suing over the failed deal are funds managed by Patria Investimentos, a Brazilian firm that is backed by U.S. private-equity firm Blackstone Group LP; as well as GMR Holding B.V., and Roberto Sahade, chief executive of Latin America Power.

Failed Latin America Power Deal Spawns More Woes for SunEdison - WSJ

Defendants named in the action are SunEdison Inc., SunEdison Holdings Corp., and TerraForm Power Inc., an affiliate of the California company.

Write to Peg Brickley at peg.brickley@wsj.com

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BUSINESS



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SunEdison Asset Transfer Barred in Fight Over Spurned Deal

Chris Cunniff and Brian Edwards | Feb. 11, 2016 | 12:01 p.m.

(Bloomberg) — SunEdison Inc. was temporarily blocked from transferring assets while shareholders of a Latin American power company seek more than \$150 million in damages in connection with a spurned takeover bid.

New York State Supreme Court Justice Charles Ramos on Thursday granted the request from Latin America Power BV investors to block any asset transfer pending a Feb. 25 hearing on whether the hold should continue throughout arbitration of the dispute. Ramos's order, which also applies to TerraForm Power Inc., a company SunEdison owns and controls, excludes assets needed for the companies to do business.

SunEdison, the world's largest renewable-energy company, was restrained from "concealing, transferring or removing its assets" that might be needed to satisfy debts if the shareholders win their case. The investors are suing over SunEdison's decision in October to walk away from a deal to buy Latin America Power, a Santiago-based operator of hydroelectric and wind-energy plants.

The shareholders say a court order is necessary while they pursue a claim in arbitration against Maryland Heights, Missouri-based SunEdison, because the company may be insolvent by the time the case is decided.

Shares Fall

SunEdison shares fell 14 percent to \$2.04 at 4:15 p.m. in New York. They have dropped 90 percent over the past year.

"We are very pleased with Justice Ramos's decision to grant our temporary restraining order and we look forward to continuing to pursue our claims in arbitration," said Tai-Heng Cheng, a partner with Quinn Emanuel Urquhart & Sullivan LLP representing the Latin America Power investors.

In May, SunEdison agreed to buy Latin America Power from Brazil's BTG Pactual Asset Management and its partners. At the time, Latin America Power had 119 megawatts of operating hydroelectric and wind-energy plants in Peru and Chile and was building another 214 megawatts of wind and hydroelectric projects in Chile. SunEdison canceled the deal less than five months later, contending that the sellers failed to satisfy certain conditions.

Buying Frenzy

The cancellation came after SunEdison spent the first half of 2015 on a multi-continent buying frenzy. The company reduced spending by mid-year after its market value began tumbling.

"We appreciate the constructive hearing and the judge's thoughtful approach, confirming that we can continue to conduct our business without undue interference," SunEdison said in a statement. This includes the transfer of assets for law consideration in the ordinary course of business, which conforms to the existing policies of both companies.

In January, SunEdison was sued by billionaire David Tepper's Appaloosa Management LP over the renewable-energy developer's planned \$1.9 billion acquisition of Vivint Solar Inc. SunEdison had planned to flip Vivint's assets to TerraForm Power Inc., Appaloosa, which owns a 9.5 percent stake in TerraForm, said the deal was "fundamentally unfair" to TerraForm's investors.

The case is BTG Pactual Brazil Infrastructure Fund v. SunEdison Inc., 650678/2016, New York State Supreme Court, New York County (Mannahan).

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